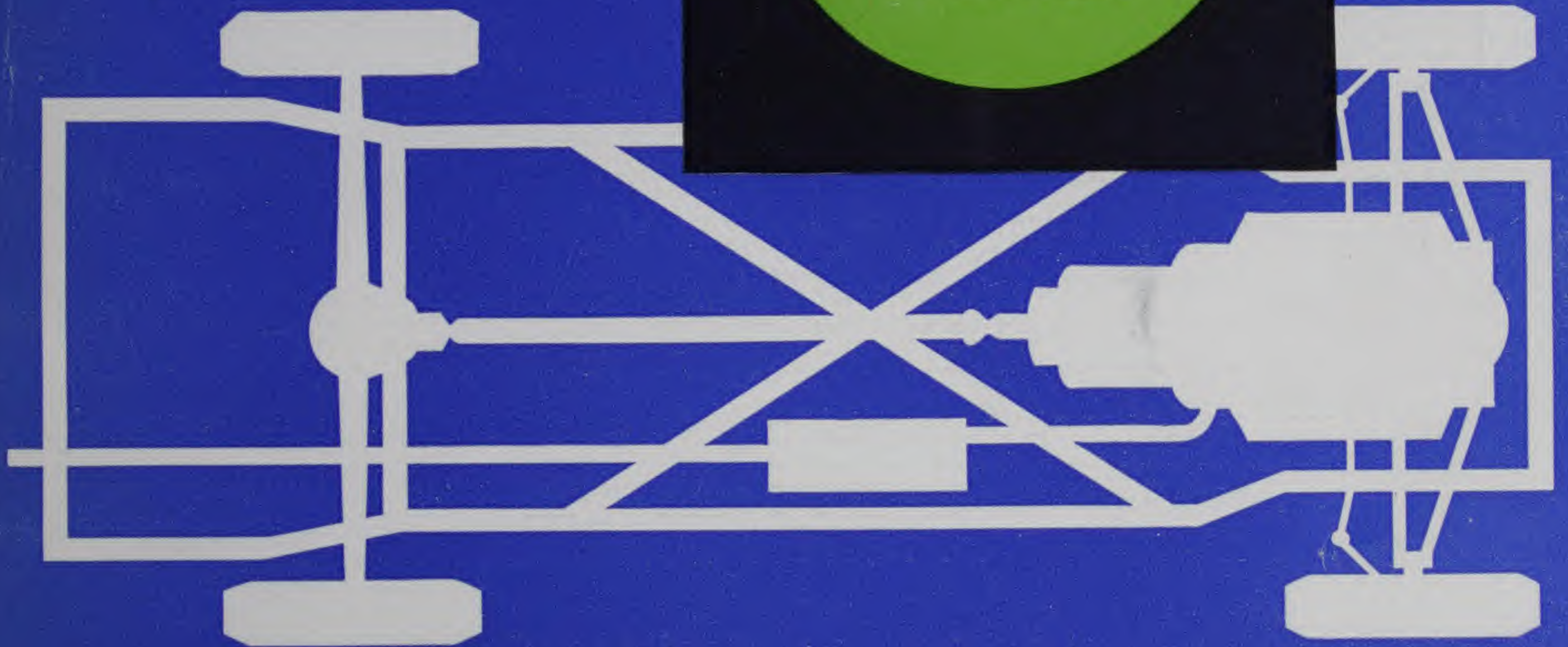


Nation's Business

A LOOK AHEAD

OCTOBER 1955

**AUTO
OUTLOOK:
35,000,000
NEW CARS IN
NEXT FIVE
YEARS**



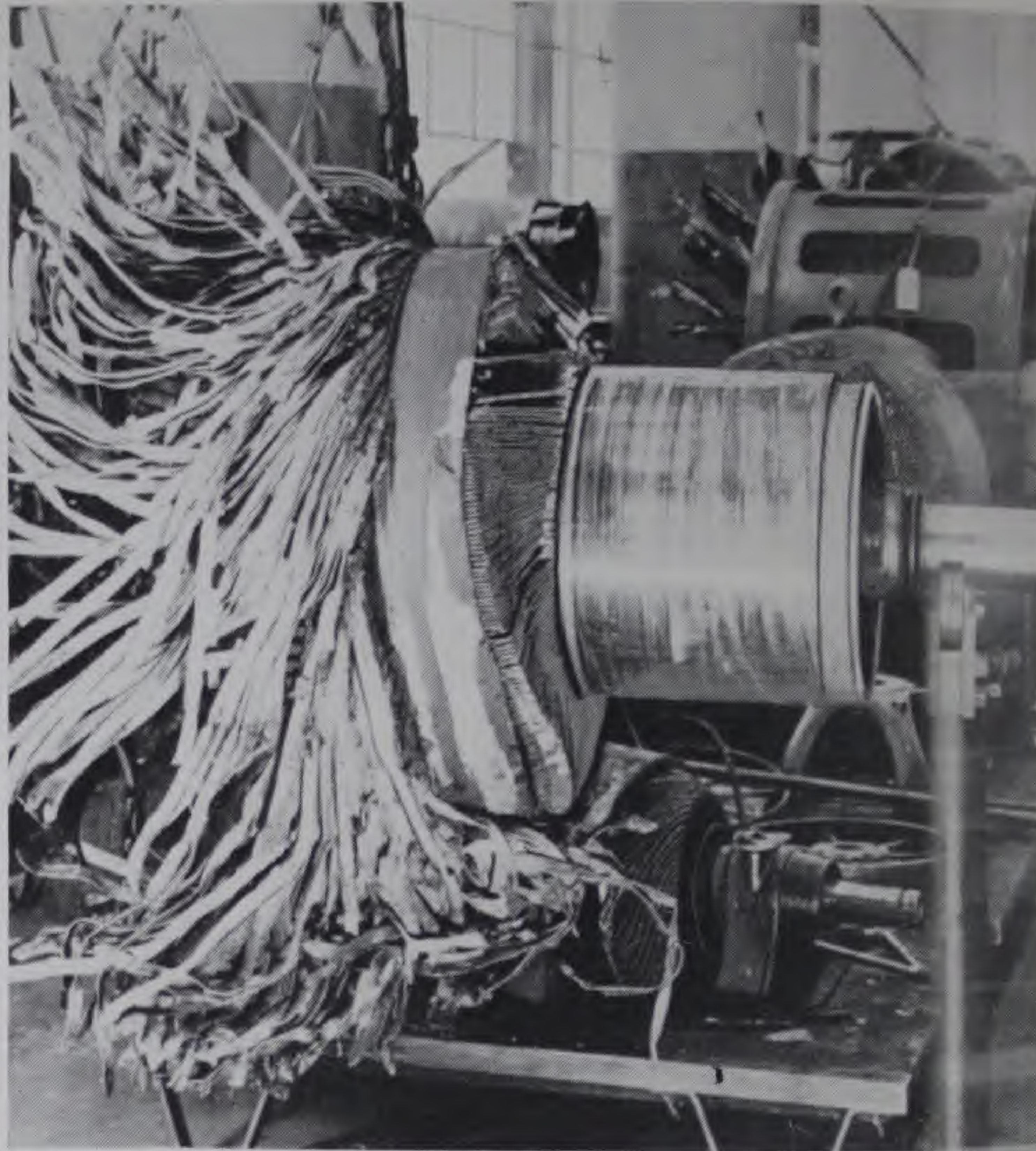
CAR SALES WILL RISE THREE TIMES FASTER THAN POPULATION

Credit is not too high *An interview with
Dr. Grover Ensley* **PAGE 52**

Fred Seaton—Ike's practical politician **PAGE 32**

Success won't save your business **PAGE 62**

FILE COPY
Do not remove



Look what can happen while you're reading this page . . .

Not a dollar lost if you have Valued Form Business Interruption insurance . . . with The Travelers

JUST as you'd expect, Travelers Boiler and Machinery Direct Damage insurance foots the bill for repairing or replacing damaged plant equipment. But often that's only *part* of your financial loss.

That's why you also need Travelers Valued Form Business Interruption insurance—to make certain your business won't suffer from forced shutdowns.

Valued Form Business Interruption insurance is based on your estimate of average expenses and profits, and here's how it works:

When a breakdown or shutdown occurs, the policy formula determines the percentage reduction from normal business.

The Travelers will immediately pay the indicated loss without the usual accounting verifications of other kinds of Use and Occupancy insurance.

Result: your income has not been impaired, you're still in business and glad you followed the advice of your Travelers representative.

Why not see him today?

YOU WILL BE

WELL SERVED BY

THE TRAVELERS

INSURANCE COMPANIES, HARTFORD 15, CONNECTICUT

*All forms of personal and business insurance
including • Life • Accident • Group •
Automobile • Casualty • Fire*





"Thanks for the order, Ed. We'll ship it to you today."

Get it done now by Long Distance

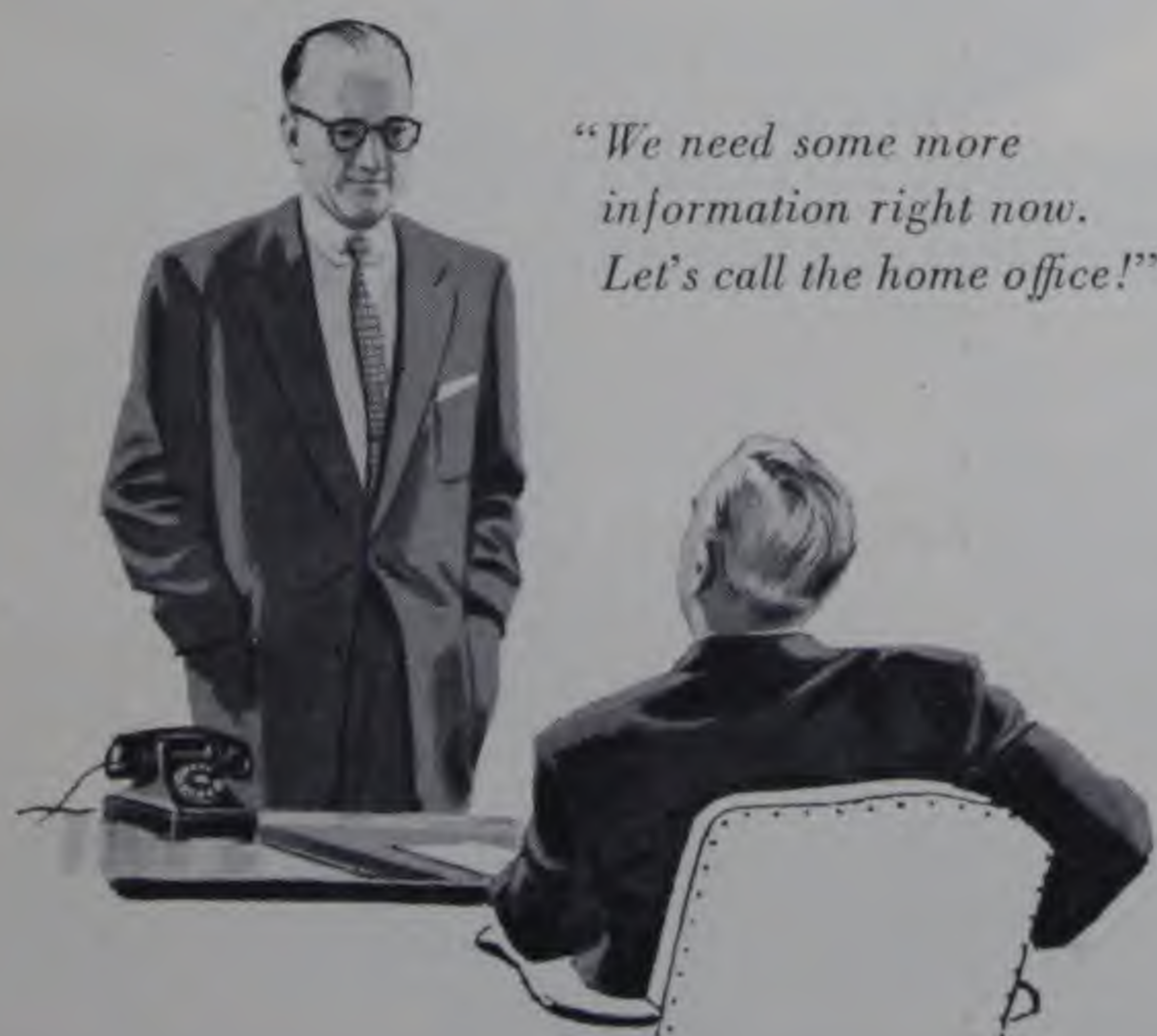
Whether the job is selling, purchasing, administration or anything else, Long Distance is ready to help you get it done *fast*.

So use Long Distance regularly to keep in touch with out-of-town customers and prospects—and with your own sales force, branch offices and other company units. It's easy to do. Personal. Low in cost. *And it gets results.*

You'll find that's true whatever you make, whatever you sell. Thousands of firms have proved it. We have many specific suggestions based on their experience and we'd like to pass them along to you. Just call your Bell Telephone Business Office.



"Inventory's low on both items. We'll need a hundred of each by Tuesday."



"We need some more information right now. Let's call the home office!"

LONG DISTANCE RATES ARE LOW

Here are some examples:

New York to Philadelphia	50¢
Baltimore to Pittsburgh	80¢
St. Louis to Cincinnati	\$1.00
Atlanta to Chicago	\$1.35
Los Angeles to Detroit	\$2.35

These are the daytime Station-to-Station rates for the first three minutes. They do not include the 10% federal excise tax.

CALL BY NUMBER. IT'S TWICE AS FAST.

BELL TELEPHONE SYSTEM



Action Engineering!

Nohlgren's
RESTAURANT
440 STATE STREET
SALEM, OREGON

Wesley J. Pack Construction Co.

Oh-Se
Ohse Meat Products Company

WILEY MANUFACTURING COMPANY
BARIUM STEEL CORPORATION SUBSIDIARY

P. O. Box 97
PORT DEPOSIT, MD.
PHONE 2111

LOADING CRANES
STEEL BARGES
WILEY WHIRLEYS
CONCRETE BUCKETS
FABRICATED STEEL

June 23, 1955

George S. May Company
122 East 42nd Street
New York City, N. Y.

Gentlemen:

To be perfectly truthful with you, your engineers didn't do a thing for us that we couldn't have done ourselves, if we had the time and if we had been on our toes. But we called upon your company to help us because we needed a good jolt from capable, experienced outsiders. That's what we asked for and that's what we got.

We assigned four specific projects to your engineers:

1. A thorough analysis of our structural organization of 250 people, with special emphasis on inter-departmental relationships.
2. The development of a sound cost analysis system based on productive man hours to serve the estimating function.
3. The formulation of an estimating procedure that would allow us greater flexibility in our bids.
4. The development and installation of a production control system that would compel us to operate on a planned basis.

Your company did this work and you did it well. Our management feels, both from our figures for the first 6 months of this year and from the greater ease with which a very heavy volume of work is going through our yards, that we have greatly benefited from our investment in your services. We are now launching a crane barge or a barge a week. We are sold out for the rest of this year and our volume this year will be more than \$3,000,000. Your work was important to us and it will continue to grow in importance with each passing year that we use your methods.

Very truly yours,

WILEY MANUFACTURING COMPANY

J. T. Frost
J. T. Frost, Vice-President

George S. May Company gets immediate results!

CERTIFIED
Business Engineering
REPORT

ALLAN MARIN & ASSOCIATES, INC.

When the head of a business employs the George S. May Company to perform business engineering services, he gets much more than advice and suggestions...he gets immediate ACTION! That's because May engineers make actual installation of their recommendations and accept responsibility for projected results. Since 1925, more than 41,000 clients in over 3,000 different kinds of businesses in the United States and Canada have used George S. May engineering to improve methods, expand markets, reduce costs and increase profits. Let our representative call on you...without cost or obligation...and show you how you can take immediate and corrective action in your business. Phone or write any of our four offices TODAY!

George S. May Company

THE WORLD'S LARGEST BUSINESS ENGINEERING ORGANIZATION

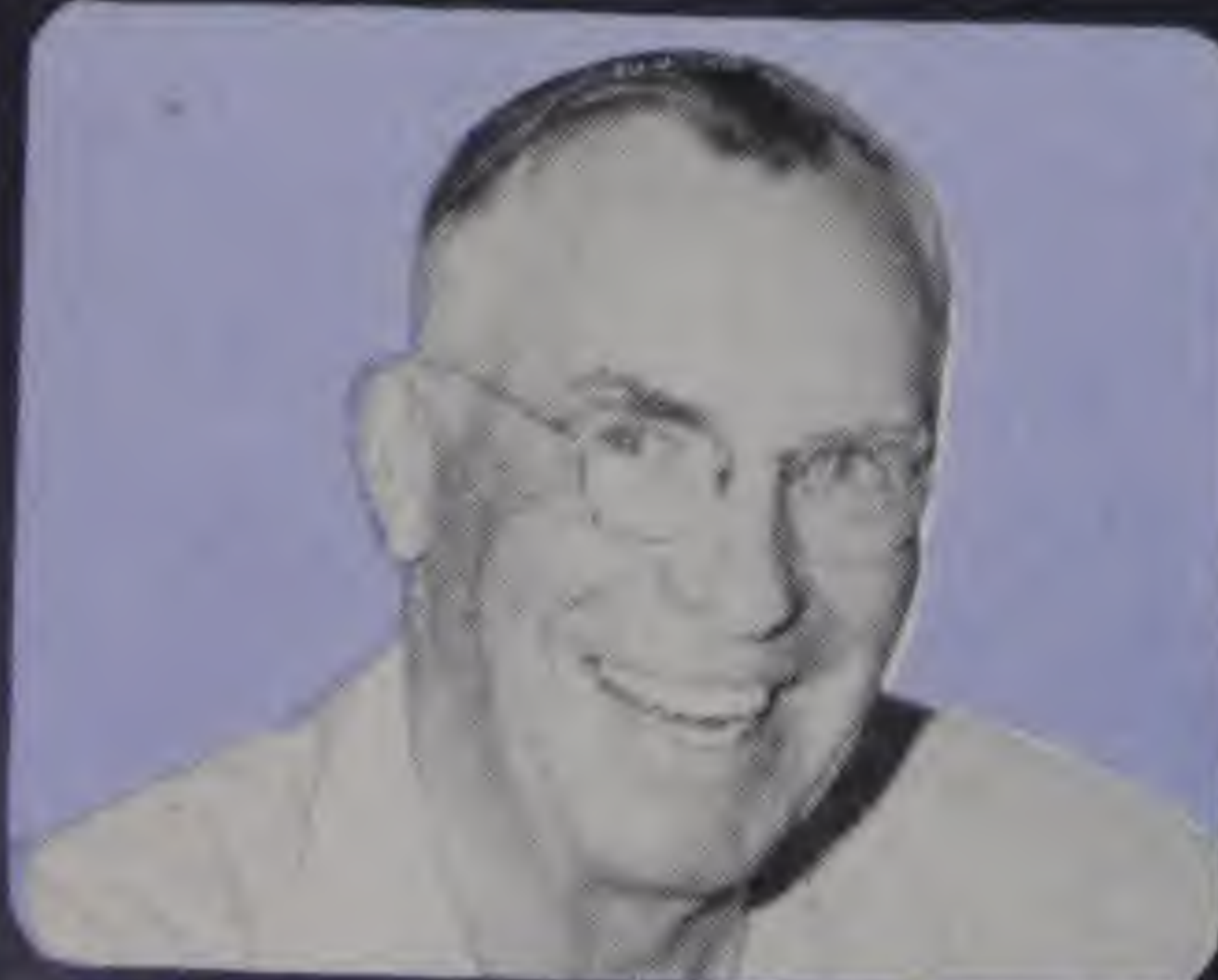
Cable Address: GEOSMA, Chicago

CHICAGO 6: Engineering Bldg.
Financial 6-3460

NEW YORK 17: 122 E. 42nd St.
OXford 7-3900

SAN FRANCISCO 2: 291 Geary St.
GARfield 1-5244

CANADA: 1178 Phillips Place, Montreal
UNiversity 6-9152



SHIP BUILDER

"Our management feels...that we have greatly benefited from our investment in your services!"

J. T. FROST, V. P.

Wiley Mfg. • Port Deposit, Md.

MEAT PACKER

"Your work changed us from '10,000 lb. a week thinking' to '100,000 lb. a week thinking'!"

FRED OHSE, Owner

Ohse Meat Products • Topeka, Kan.

CONTRACTOR

"Sales for the first 6 months of this year were \$163,562 on which net profit was more than 10%!"

W. J. PACK, Owner

W. Pack Constr. • Winston-Salem, N.C.

RESTAURANT OWNER

"Buying your business engineering service was the best investment I ever made!"

R. S. NOHLGREN, Owner

Nohlgren's Restaurant • Salem, Ore.

Nation's Business

OCTOBER 1955 VOL. 43 NO. 10

PUBLISHED BY THE CHAMBER OF COMMERCE OF THE UNITED STATES

Editor
Alden H. Sypher

Adm. Assistant
Ruth D. Howard

Executive Editor
Paul McCrea

Associate Editors
George Haddock
Kenneth W. Medley
Donald C. Spaulding
Paul Hencke
Joseph M. Gambatese

Art Director
Ralph Patterson

Adm. Assistant
Mary W. Davis

Associates
Asdur Takakjian
Charles Dunn

Production Manager
W. Lee Hammer

Business Manager
John F. Kelley

Asst. Business Manager
William W. Owens

Circulation Manager
Floyd C. Zeigler

Advertising Director
Herman C. Sturm

Advertising Manager
David Hyde

Western Advertising Mgr.
Ray Orwig

- 7 Management's Washington Letter
- 10 Businessmen Say
- 14 By My Way R. L. Duffus
- 17 Progress Thrives on Rivalry of Ideas Felix Morley
- 21 Skirmishing Promises Hot Campaign Edward T. Folliard
- 25 Jobless Pay Up \$175,000,000
- 28 35,000,000 New Cars in Next Five Years
- 32 Fred Seaton—Ike's Practical Politician
- 34 50 Nations Assault Science Frontiers
- 38 How to Plan Profits Five Years Ahead
- 42 How's Business? Today's Outlook
- 44 Farms Retooling for New Model Pig
- 52 Credit is Not Too High
- 62 Success Won't Save Your Business
- 80 Reserve Act Aids Personnel Planning
- 86 Where You'll Find Tomorrow's Customers
- 110 Thorium's Atomic Role Will Broaden
- 114 Rescue Mission by Business

MORE THAN 750,000 SUBSCRIBERS



GENERAL OFFICES—U. S. Chamber Building, Washington 6, D. C. BRANCH OFFICES—New York, Chicago, San Francisco, Cleveland, Detroit.

As the official magazine of the Chamber of Commerce of the United States this publication carries notices and articles in regard to the Chamber's activities; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

Nation's Business is published monthly at 1615 H. St. N. W., Washington 6, D. C. Subscription price \$18 for three years. Printed in U.S.A. Entered as second-class matter March 20, 1920, at the post office at Washington, D. C.

Copyright, 1955, by Nation's Business—the Chamber of Commerce of the United States.

1338
V-43
1955

so often

glass

is how we see

Here, at Libbey-Owens-Ford, experts have developed the most distortion-free plate glass ever made in America.

That's tremendously important when you consider these two things:

From inside, almost everything we see *outside*, is seen through glass. So the distortion-freedom of Parallel-O-Plate is vital in homes, schools and almost every kind of building.

From outside, almost everything we see *inside*, is seen through glass. So, Parallel-O-Plate is a "must" for any storefront. And every building we look *at* looks better when its windows are Parallel-O-Plate... because this glass is so distortion-free.

In most localities, this remarkable product costs no more than regular plate glass! So insist on it for *your* windows. If you plan on using double-pane insulating glass, be sure you get *Thermopane** made of Parallel-O-Plate. And make sure the mirrors you buy are made of it.

You can get Parallel-O-Plate from any Libbey-Owens-Ford Distributor or Dealer. You'll find his name under "Glass" in the yellow pages of most phone books. Or write to Dept. 97105, Libbey-Owens-Ford Glass Company, 608 Madison Avenue, Toledo 3, Ohio, for complete information.

*®

L·O·F Parallel·O·Plate Glass

finest plate glass made in America... only by

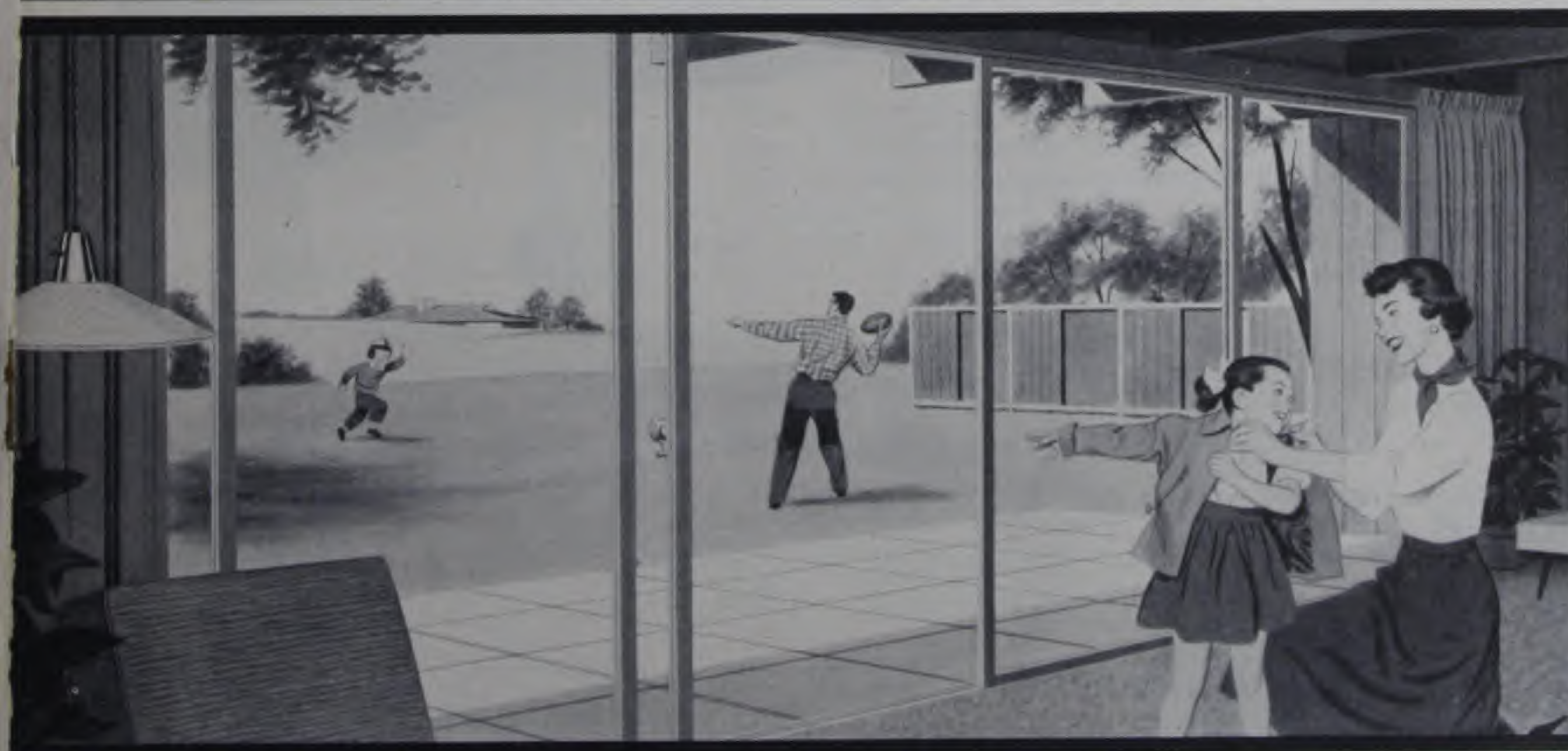
LIBBEY·OWENS·FORD a Great Name in Glass



LOOKING IN through the Parallel-O-Plate Glass in a storefront, you hardly know the glass is there.

LOOKING AT

windows of Parallel-O-Plate Glass, you see how much its truer reflections mean to exterior appearance.



LOOKING OUT of your sliding glass doors made of Parallel-O-Plate Thermopane, you see the scene as it is.

"All that dictation! Hasn't he heard about Verifax Copying?"

Here's how this *completely different* method speeds communications in thousands of offices... brightens each day for boss and secretary.

☐ You'll never have to dictate another letter or memo which quotes from one you have received. Your secretary can make 3 photo-exact duplicates of the original in 1 minute with a Kodak Verifax Copier; dispatch them immediately with a "See attached" note.

☐ You'll skip dictation, too, in answering letters which ask specific questions. Just jot the facts on the original and mail Verifax copies as your reply. Same routine saves hours of retyping in filling quotation requests.

☐ You'll also use Verifax copying to eliminate slow "one copy" routing of incoming correspondence, magazine articles... get opinions from key men faster.

☐ You'll be able to send copies of inquiries to sales force, branch offices, etc. as soon as they're received—no retyping errors, no omissions, no proofreading. Verifax copies are authentic from letterhead to signature.

The revolutionary Kodak Verifax Copier is surprisingly simple to operate. After a few minutes' instruction, your secretary will be whisking out 3 *photo-exact copies of any record in 1 minute for less than 4¢ each*. No change in your present room lighting! And another plus—you can even make offset plates with it—for less than 20¢ each!



Many valuable tips—based on the experiences of thousands of users—are included in new free booklet giving full details on this sensationally versatile \$240 machine.

MAIL COUPON TODAY

EASTMAN KODAK COMPANY, Business Photo-Methods Division
343 State Street, Rochester 4, N. Y.

Gentlemen: Please send free copy of "Verifax Copying—New Time-Saver, New Idea for Every Office"; also names of near-by Verifax dealers.

Name _____ Position _____

Company _____

Street _____

City _____ State _____



Kodak
TRADE-MARK

►WITH '56 UNDERWAY--politically--early congressional jockeying on these issues is important to you:

Highways: Financing problem is core of program. But senators, representatives will ask bigger road budgets for their bailiwicks, too.

Farm price props: With dipping farm income (6 per cent under year ago), this is one of bitterest issues. It's still between rigid and flexible price supporters.

Business in government (and vice versa): Democrat-run hearings will seek evidence of business influence on government. Republicans will try to cut government competition with private enterprise.

Taxes: Will be cut. Technical, general revisions are in the works for '56. Many--such as corporate, excise rates--affect your business directly.

Social Security: You'll hear arguments for and against broader coverage, boosting of tax for both employer, employee.

Transportation: Watch for fireworks when bills to implement President's Cabinet report come up in Congress. Railroads like report, truckers don't.

Hoover Commission recommendations: 150 bills already are in the House, Senate hoppers to carry out some Commission ideas on economy in government.

Public vs. private power: Hell's Canyon, Upper Colorado will be front stage.

Antitrust laws: Perennial political bone of contention--but antitrust talk always is headlined in political year.

Banking: Bank holding companies, banks planning mergers face rough weather from bills coming up in House and Senate.

Foreign trade: Protectionists and free traders are expected to have a field day with legislation to place U. S. in Organization for Trade Cooperation.

These are highlights.

Look for action--or at least talk--on these issues, too:

Federal aid to education; health reinsurance plans; statehood for Hawaii, Alaska; revision of immigration laws; federal regulation of natural gas producers; extension of minimum wage coverage; revision of sugar quotas; extension of Renegotiation Act; stock market regulation.

►STEEL PRICE boosts won't add much to the price of your new car.

Why not?

Steel cost is fraction of over-all cost in items using the metal.

Examples:

Steel cost in toaster: Less than 4 per cent of total cost.

Tractor, less than 4.5 per cent; washing machine, 5 per cent; refrigerator, 6 per cent.

Less than 10 per cent of auto cost goes for steel.

►TOO MUCH BOOM?

You've heard that.

But it's more talk than fact, stems from belief (in some quarters) that consumer debt's too high.

Debt: \$33,000,000,000 at start of fourth quarter.

Credit expansion can push up prices, wages, add to inflation threat, some economists say.

But others discount threat.

They point to personal income at record high: \$304,700,000,000 annual rate.

That's \$17,700,000,000 over year ago.

Savings rate (\$17,000,000,000) keeps steady pace.

But people aren't paying off their debts as fast as last year.

Repayments run at \$30,000,000,000, \$3,000,000,000 behind time buying.

Note: In peak '53, repayments ran \$3,500,000,000 behind new credit--and you heard little talk of too much debt.

(For more details on credit picture, see "Credit Is Not Too High," Page 52.)

►HOW SOLID is union leadership?

Here's one straw in the wind:

40 per cent of unfair practice charges filed with NLRB are filed by individual workers against unions.

Remaining 60 per cent are filed by unions and workers against employers and by employers against unions.

This year 872 cases are on file at NLRB against unions by workers.

That's 54 per cent increase from year ago, is highest in Board's 19-year history.

Charges filed against employers: 1,275, increase of 17 per cent.

Total charges (2,147) are 30 per cent

above charges filed in 1954.

Note: NLRB is politically split, 2-2.

No new appointment to Board is due 'til Congress gets back in January.

►INVENTORY PICTURE'S cloudy--and it's clouding economic forecasts.

The puzzle:

How does extra \$100,000,000 get into over-all inventory accumulation figure?

Total inventories add up to \$78,800,000,000 or \$200,000,000 above same period year ago, according to Department of Commerce.

Retail inventories (latest period) jump \$600,000,000 to \$23,200,000,000.

But wholesale stocks are down \$100,000,000 to \$11,800,000,000; manufacturers' stocks drop \$400,000,000 to \$43,800,000,000.

Subtract these declines from retail advance and you get only \$100,000,000 increase.

Note: Council of Economic Advisers asks immediate checkup on discrepancies. Small change can affect sales-stock ratios throughout economy.

►NEW BANKING REPORT can spur bank expansion next year.

It's being compiled now by Federal Deposit Insurance Corporation, will be published in January.

Here's what it's likely to show:

Need for more banking facilities, especially in West, Southwest. That's where population growth is heavy.

Need for dispersal of bank services--more banks for rural, suburban areas.

Note: Only other survey was taken in '51; new one may establish trend.

►PUBLIC WORKS LOANS head upward.

Almost unnoticed among congressional appropriations is huge boost for funds for public works.

The figure: \$148,000,000 for '56.

That's up \$26,000,000 from year ago.

Here's what it means:

More communities can apply for interest-free planning advances for whatever public works are needed and authorized.

Where to apply:

Community Facilities Administration of Housing and Home Finance Agency (Commissioner is John C. Hazeltine).

►BUSINESS BOOM can balance budget.

In fact, Uncle Sam may wind up \$2,000,000,000 in black at end of fiscal '56 next June.

Here's why:

Tax receipts from corporations (estimated in January at \$16,600,000,000) are expected to reach \$21,000,000,000.

That's \$4,400,000,000 jump, more than enough to erase \$2,400,000,000 deficit forecast in August.

Keep in mind: How far in the black U. S. may go depends on next year's military outlays.

If they're up, surplus will be cut--or wiped out.

►SALES PER EMPLOYEE soar at retail level.

Two trends add to record--and they're growing every year:

1. Self-service.

2. More sell in packaging, displays.

Figures tell this story:

Since 1940, average annual food store sales per employee are up from \$6,865 to \$28,530.

Drug stores, up from \$6,956 to \$15,036.

Hardware stores, from \$4,449 to \$13,568.

Look over your own sales-per-employee figures:

Chances are more self-service, better displays can boost your average.

But remember, too: Price inflation over past 15 years has share in increase.

►LABOR SHORTAGE--not surplus--is long-term problem for U. S. economy.

Why?

By 1965--perhaps sooner--we'll have 190,000,000 population.

Proportion of people from 20 to 64 (that's major part of labor force) will increase by only 8,000,000--less than third of total increase.

Figures suggest this:

We'll need every technological advance we can make to meet growing demands with smaller relative work force.

►NEW STUDY by Federal Reserve Board will show where money comes from--and where it goes.

Study traces flow of funds in 10 major

washington letter

sectors of economy, will be issued annually starting in '56.

Here's advance look at one sector--how consumers get and spend their incomes:

Total outlay of \$314,000,000,000 ('53 figure on which first study is based) breaks down this way:

For goods, services, \$238,000,000,000.

Insurance, pensions, \$23,000,000,000.

Taxes, \$41,000,000,000.

Net savings, \$13,000,000,000.

Where did the money come from?

Wages and salaries, \$190,400,000,000.

Investment income, \$62,800,000,000.

Sales of assets (houses, cars, etc.), \$23,200,000,000.

Insurance, pension benefits, public and private aid, gifts, \$23,600,000,000.

Tax refunds, \$3,000,000,000.

Borrowing, \$11,000,000,000.

Among economic sectors to be covered in final study: Banks, stock and commodity markets, agriculture, insurance, government, foreign investments.

►HOME-BUILDING HAS plenty of room to grow.

Construction rate runs at 36 new units for each 1,000 nonfarm families.

Over-all, that's about 1,300,000 units for 36,500,000 families.

In 1925, rate was 47 new homes for each 1,000 families; '50 rate, 42 units.

What's ahead for '56: Tighter credit--boost in interest rates on mortgage loans, higher down payments, cut in length of mortgage--may slow home-building slightly in some areas.

Note: While mortgage debt grows (now about \$83,000,000,000), payment delinquencies drop.

Survey shows 42,260 delinquencies this year out of 2,092,454 loans to date. That's percentage of 2.01.

Year ago: 40,535 delinquencies, 1,-781,955 loans (same period). Delinquency percentage: 2.27.

►CREDIT CAR-BUYING makes some economists shake their heads.

They point to automobile paper as largest component of instalment credit outstanding.

The figure: \$12,800,000,000 at start of last quarter.

And they add:

In '47, 71 per cent of car-buyers paid cash; 29 per cent used credit.

Today, 38 per cent pay cash; 62 per cent use credit.

But it will pay to look into comparisons between years:

In '47, potential buyers had large savings (accumulated during war years' shortages).

New car production was well below demand (and cars on the road were old, needed replacement).

Buyers were willing to pay cash--even premiums above list price.

Says economist for one auto maker (Ford Motor Co.): 62 per cent ratio for car purchases on credit is in line with level of prewar years.

►BUSINESS MAILING ROOMS waste money.

That's finding of Air Mail Committee, Air Transport Association (Washington) which offers 17-point presentation showing:

From 5 to 15 per cent of average business postal budget goes down drain through lack of knowledge.

Example: Large bundles of mail are sent out airmail Friday nights.

But addressee won't get his letter 'til Monday no matter how it goes.

►BRIEFS: Say goodbye to freight car shortage; railroads order 45,515 cars for delivery over next 12 months--dollar value, about \$320,000,000. . . . More than 4,000,000 children in 10,000 schools will push school savings to \$150,000,000 by year's end. . . . Uncle Sam's one-year maturities (bills due within 12 months) nudge \$70,000,000,000 --but that's down \$7,500,000,000 from year ago. . . . 14,000,000 Americans over 65 will have total income of \$25,000,-000,000 this year; about \$5,000,000,000 comes from Social Security. . . . Industrial research will be a \$16,000,000,000 business employing more than 1,000,000 within 20 years, says Standard Oil official. . . . Home laundry industry sees '55 as peak year with sales of 5,000,000 washers, ironers, dryers, up 34 per cent from '54. . . . More than 2,000,000 families will move from \$4,000 to \$6,000 yearly income bracket next year.



**IS YOUR
PRODUCT
ALLERGIC TO COLD?**

Mason and Dixon's Heated Trailers Keep It Fit!

If your product is allergic to low temperatures, we prescribe the "doc-to-doc" protection of Mason and Dixon's Heated Trailer Service. You'll cut down shipping risks, eliminate cold weather losses, keep customers happier with deliveries on schedule.

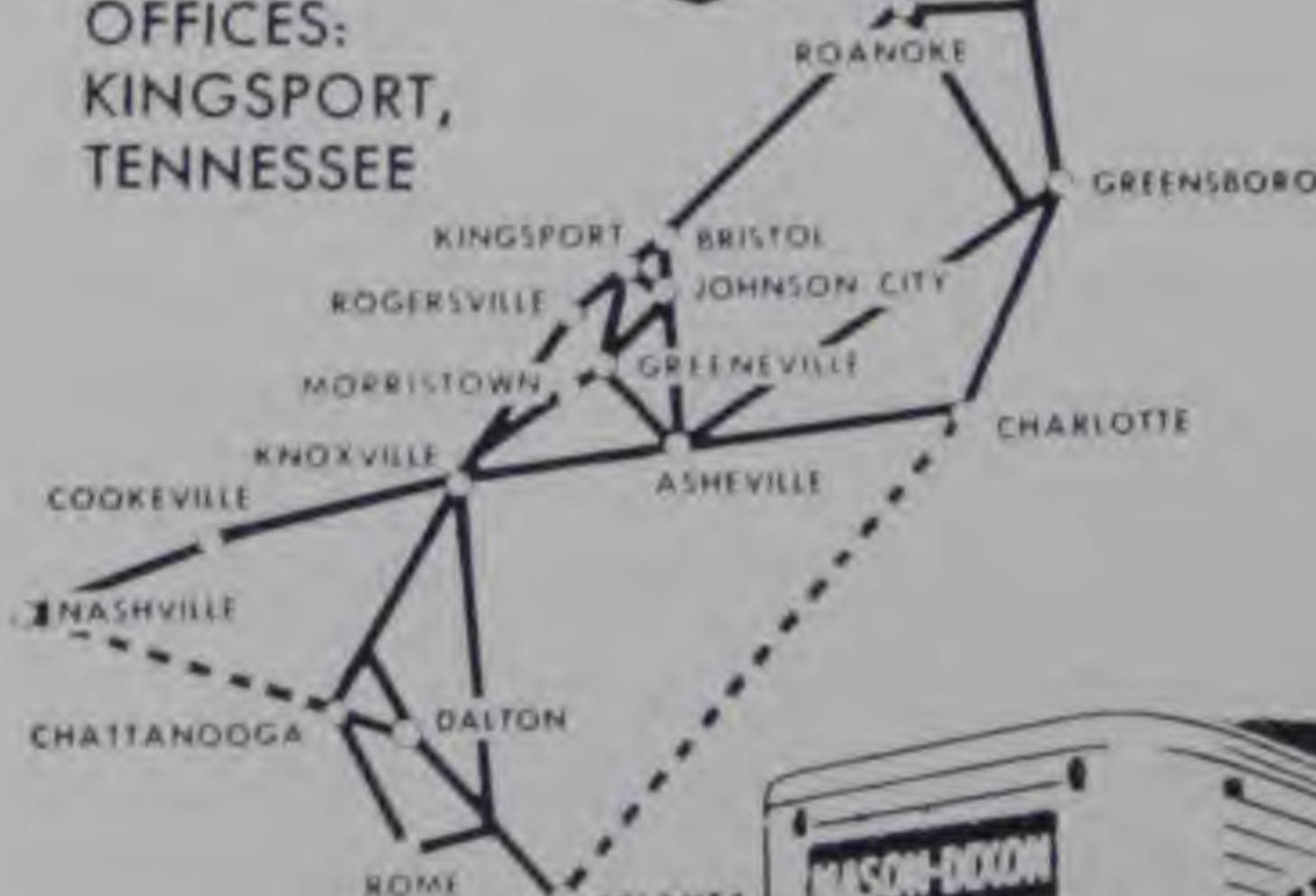
These special heated units give complete, positive protection from dock to dock, with interior temperatures thermostatically controlled, so that your products are delivered in the same condition as they leave your plant.

This additional service to shippers was so successful last Winter that we've doubled our Heated Trailer fleet—but demand, from early indications, will more than double. Play it safe by planning your Winter shipments ahead—and call or write your Mason and Dixon representative now.

To summarize:
summerize with
Mason and
Dixon's Heated
Trailer Service!



GENERAL
OFFICES:
KINGSPORT,
TENNESSEE



Businessmen say ▼ ▼ ▼ ▼ ▼

Tired of electoral college

We appreciated your article regarding the abolishment of the electoral college in presidential elections, in favor of either the Lodge-Gosset, or the Mundt-Coudert Amendments.

I am over 50 years old, and we have heard the electoral college criticized and talked about ever since our grade school days, and just recently I discussed with friends of my age the question why nothing has been done about it.

After reading your article, I would say I am in favor of the Lodge Amendment. But if it would be more practical or feasible to pass the Mundt Amendment now I am also in favor of that in preference to our present electoral system.

Further I urge our representatives to propose either one now, before the next presidential election.

ORVILLE W. FEHLHABER
Wausau, Wisc.

N. B. goes to school

It has been called to my attention that NATION'S BUSINESS is a magazine I could use in my class work. Since our library does not subscribe to it, would it be possible for you to send me a copy of the August, 1955, issue?

JAY V. GROVES
Keyser, W. Va.

Note: With our compliments.

Market for mahogany

In the article [August] entitled "You'll Hear More of Liberia" there appears the following: "A sawmill from the U. S. is under construction to cut mahogany...."

We are importers of mahogany lumber and are extremely interested in contacting the management of this new sawmill with the thought in mind of making a possible contact with them for at least a portion of their production.

ROBERT P. THOMPSON
Philadelphia, Pa.

Not too old for them

In your September issue I noted the letter headed "Too Old, Too Successful." If this man is available and has the sales talent which

he claims, we are interested in him. The profit will be worth while.

JOSEPH G. CONRATH,
Conrath & Powell,
New York, N. Y.

Note: Our letter-writer, who asked that his name be withheld, complained that although he had operated his own firms successfully and served as manufacturer's agent for others in world markets, he could not get a job now because he is 43 years old. Since its publication in NATION'S BUSINESS he has letters offering jobs in Santa Barbara, Calif., Syracuse, N. Y., Omaha, Frankfort, Ky., Denver, St. Louis, Pensacola, Fla., Chicago, Springfield, Mass., Fern-dale, Mich., Bryson City, N. C., three from New York City; telephone calls from Des Plaines, Ill., and Chicago.

The heart is part of the gift

If you are using electric calculators instead of people to write your articles I can understand the origin of your September article "New United Fund Cuts Charity Drives."

Not one to strain at a gnat while swallowing a camel, I must nevertheless point out that we cannot so divest the support of charities that support becomes a bloodless, insensitive thing concerned only with how little can be extracted from the family budget.

What has become of the great motivating influence in human life that a publication so influential as yours should give them only the most meager mention in this article? Are we not moved by the plight of others to display our own simple impulsive and very real emotions and to express them in the way we know best—by sharing what we have with others less fortunate?

As I write this, my phone has rung and way down here in the southwest where floods such as those in New England never occur and where, in fact, New England seems 1,000,000 miles away, the caller was eager to know the shortest route by which he could transmit a check for \$500 for the relief of people on the opposite side of the map who have been bereft of all that they own. The check? It was the spontaneous contribution of a group of this city's leading merchants who had nothing to gain through their ges-

“I got along all these years without intercom... *why should I get it now?”*

That's a fair question. Before we try to answer it, we'd like to ask *you* one: What do you *really* know about intercom?

Sure, you've heard that it "saves time and money" (what business product doesn't?) but unless you've had first-hand experience with intercom, you can't be expected to know the things it does for a business. Here are a few that apply to almost every business. Why not take a minute and see where they apply to yours.



When people leave their work to exchange information, costly working time is lost *daily*. With Executone Intercom your people stay at their work and get more done. At the touch of a button any employee is in instant, voice-to-voice contact with any office, department, or plant area.

When your phone lines are busy with inter-office calls, customers are frequently left "holding the line." These delays are annoying and lose good will. With Executone, inside calls never go through the switchboard. Phones are open for important outside calls. And with a reduced work load, your operator gives better, faster service.



When customers phone for information you don't have to say, "I'll check and call back." With Executone you get the information while you're on

the outside call. No bothersome call-backs that add a sizeable chunk to your phone bill.



When an employee is needed in a hurry, do you waste time running through offices, or have your switchboard operator phoning and annoying others? With Executone you simply press a button and your man is paged and on the phone or in your office in seconds.

In addition to these *general* examples, Executone gives you many other *individual* uses that apply specifically to your business.



Executone *alone* provides engineering and service personnel in your area to (1) survey and plan your individual system, without charge (2) instruct your people thoroughly in its efficient use (3) provide fast, competent service *on your premises* as needed. Executone's nationwide service organization assures years of profitable use from the most advanced, most dependable, most versatile communication system you can buy!

Why not fill out the coupon so your secretary can send it to us. It will bring you more information on the uses of Executone in your business. In addition you can receive "Talk Lines," an informative case history magazine telling how other companies profit from Executone. There's no obligation, of course.

Don't Walk...Talk!

Executone
INTERCOM AND SOUND SYSTEMS

EXECUTONE, Inc., Dept. A-1, 415 Lexington Ave., New York 17
It sounds interesting. Send me the following—
at no cost or obligation:

☐ "Talk Lines"—Case history magazine

Information on:

☐ Switchboard Relief

☐ Inter-Office & Plant Communication

☐ Locating Personnel

☐ High Noise Level Coverage

Name _____

Firm _____

Address _____

City _____

In Canada—331 Burtlett Ave., Toronto © 1955, Executone, Inc.

*Sure of enough cash
at all times?*

Use Commercial Credit funds to increase cash working capital

\$25,000 or Millions

EXPERIENCE has proved that COMMERCIAL CREDIT is usually able to provide considerably more cash than is available from other sources. Important also is the fact that COMMERCIAL CREDIT provides funds continuously (if needed) without negotiations for renewals.

Our method is *quick*, with funds usually available within 3 to 5 days, no matter where the user is located in the U.S. It is *simple*, functions automatically without interfering with ownership or management. It is *reasonable* in cost, as there are no preliminary expenses, no long-term fixed commitments, and our one charge is a tax deductible expense.

Knowledge of our method may make it possible for you to take advantage of business opportunities that might otherwise be missed. For additional facts, write or phone the nearest COMMERCIAL CREDIT CORPORATION office below. Just say, "I'd like more information about the plan described in *Nation's Business*."

BALTIMORE 1—200 W. Baltimore St. CHICAGO 6—222 W. Adams St.
LOS ANGELES 14—722 S. Spring St. NEW YORK 17—100 E. 42nd St.
SAN FRANCISCO 6—112 Pine St.

A Service Available Through Subsidiaries of

COMMERCIAL CREDIT COMPANY

Capital and Surplus Over \$175,000,000

ture other than the good will of a few people who might hear about what they have done. Perhaps if those businessmen had stopped to think how much charitable solicitations in their stores had cost them in the past year they wouldn't have obeyed the generous impulse which actuated their gift. Nor are they alone in this southwestern city for today the street corners have great boxes on them and women are tending them and others are dropping articles of useful clothing in them.

Would you reduce to a mathematical formula the impulse behind these things?

As I read this article, it describes well the virtues of a united fund, but it cannot and does not attempt to describe the reaction of the \$5 and \$10 giver. Incidentally, they are numerically far ahead of any other group in charitable giving and almost without exception they want their contributions to go to something in which they have a real and personal interest. That interest is taken away from them when their \$5 bill is dropped in the pot and some central group allocates parts of that \$5 to this, that and the other charity—all on a carefully worked out percentage formula.

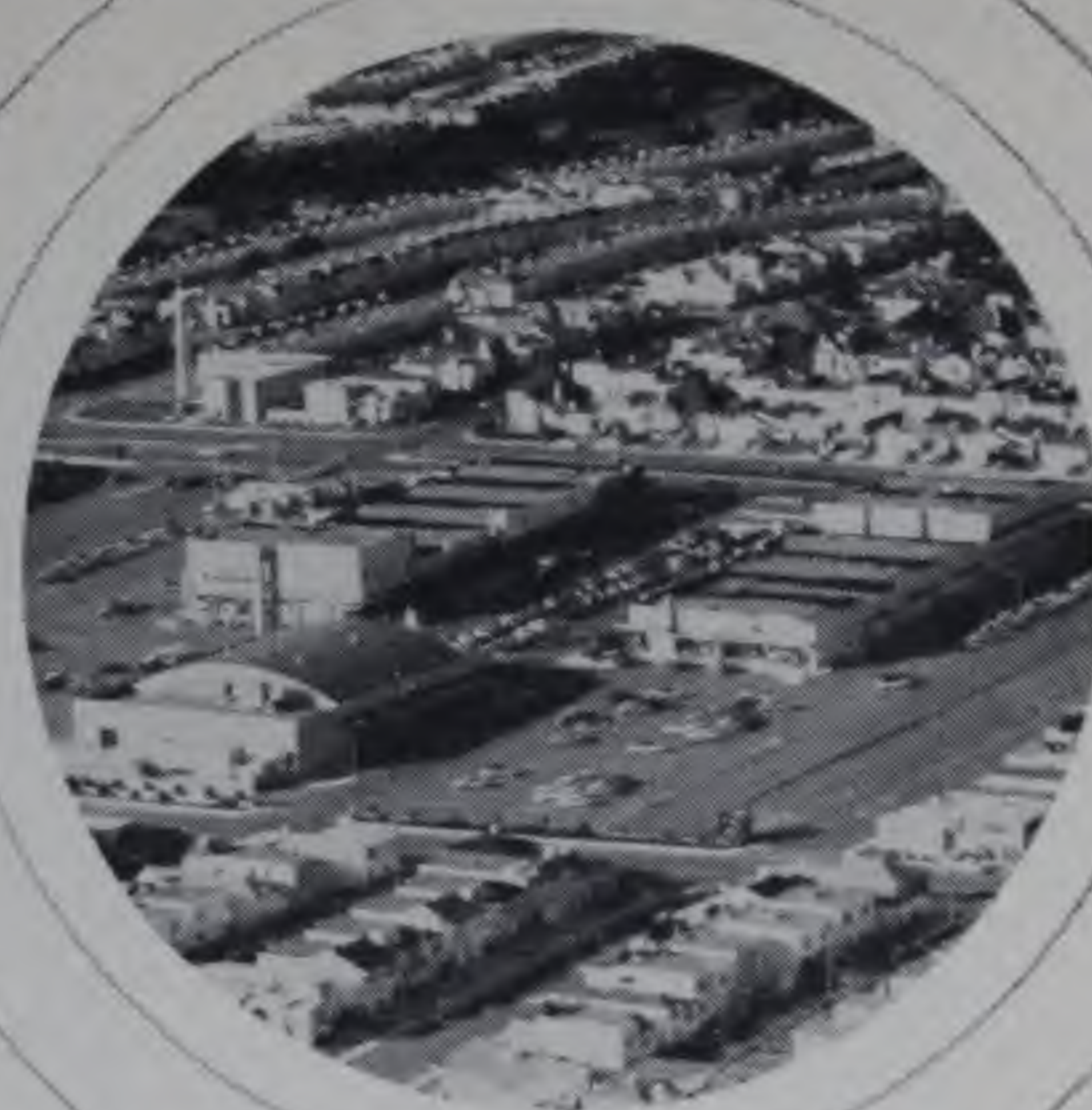
A united fund drive, there is no doubt, is convenient, time saving, and I will even concede that it might produce larger totals but, unless those dollars are accompanied by the milk of human kindness, the relief of unfortunate people becomes a business employing people and ultimately attains the stature of a bureaucracy.

You have a right to know from what point of view these sentiments are expressed. I am past chairman of Maricopa County Chapter American National Red Cross. I am National Vice Chairman for the State of Arizona. I have for years been a member of the Board of Directors of this chapter and was interested in Red Cross back as far as World War I when it helped me without stint and without recompense. I am unwilling to have it become just another agency and to have its budget thrown into the pot to help make a total budget of some united fund drive. Much more would I rather see it receive from the people as much as their hearts tell them to give and then spend that money where it will help the most people at the least possible expense.

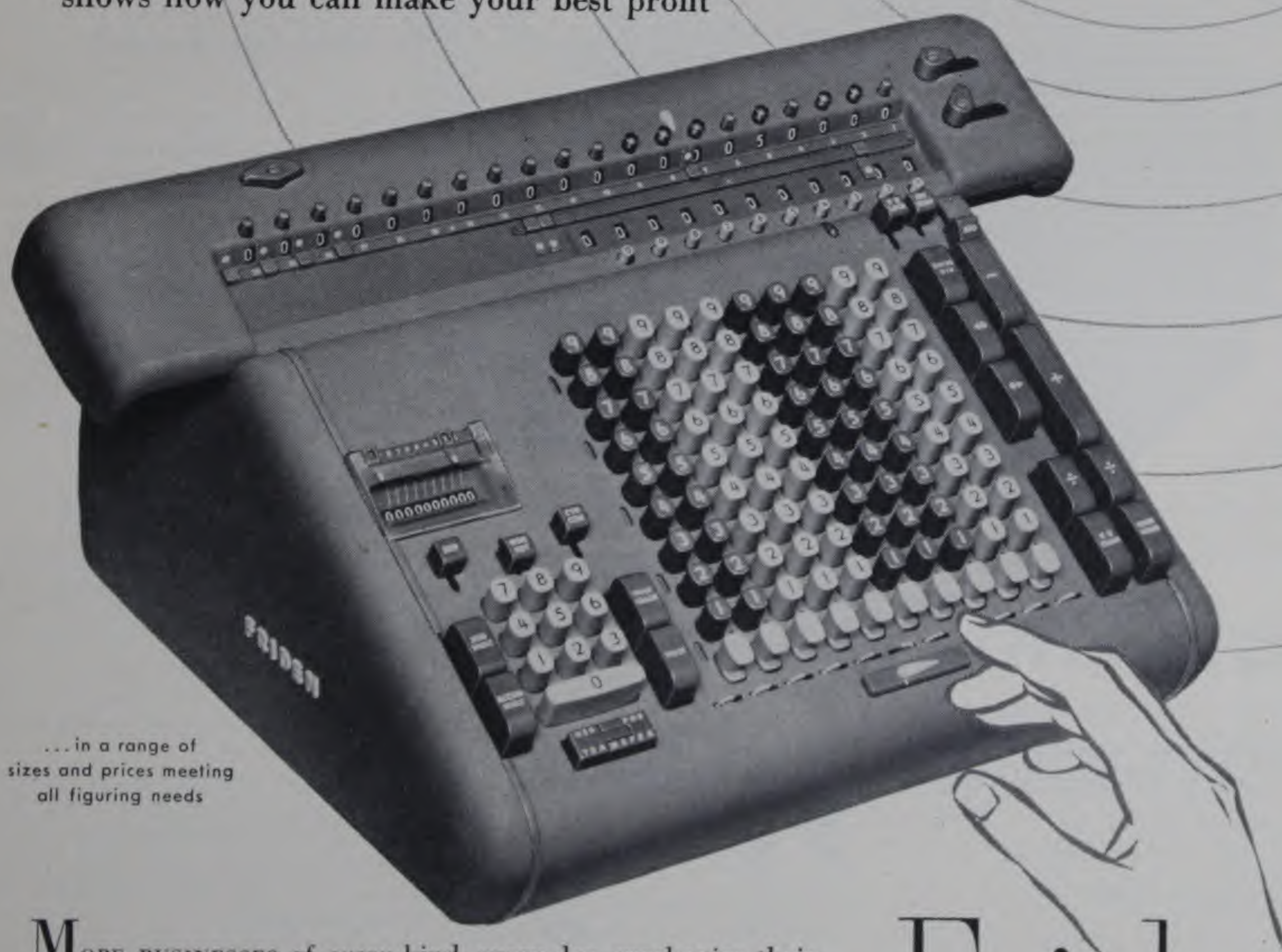
May I tell you this: I think your article factually stands up. I think your article actually falls flat.

GEORGE V. CHRISTIE,
Vice President, First
National Bank of Arizona
Phoenix

In today's expanding suburban communities



If you operate a supermarket ...
sell building supplies ...
or have a real estate office — the **Friden**
shows how you can make your best profit



... in a range of
sizes and prices meeting
all figuring needs

MORE BUSINESSES of *every* kind, every day, mechanize their figuring with the fully automatic Friden Calculator—for this reason: The Friden performs more steps in figure-work *without operator decisions* than any other calculating machine ever developed. Operator decisions (thinking plus motions) take time—much of which is saved by Friden figure-thinking. Time-savings on payroll, invoices, inventory, discounts, cost control—all business calculations—amortize quickly the cost of this machine. And operation is no problem: With only the simplest instructions *anyone* can operate the Friden.

Friden
THE THINKING MACHINE
OF AMERICAN BUSINESS

EASY TO SEE THE COST SAVINGS a Friden can bring your business. Ask your nearby Friden Man to show you some examples with your own figure-work. Friden sales, instruction and service available throughout the U.S. and the world.

FRIDEN CALCULATING MACHINE CO., INC., San Leandro, California. © Friden Calculating Machine Co., Inc.

Products of Friden ▶ THE AUTOMATIC CALCULATOR • THE NATURAL WAY ADDING MACHINE • THE COMPUTYPER • THE ADD-PUNCH MACHINE

Dear Merrill Lynch:

Without obligation, please give me whatever information is available about these securities which

- ☐ I now own (please give number of shares), or which . . .
- ☐ I am now considering buying

I should like to have your recommendations for the investment of \$_____. My objective is

- ☐ Safety of capital, or
- ☐ Dividends of 4%-5%, or
- ☐ Increase in value

Name _____

Address _____

City & State _____

Just fill in and mail to—

WALTER A. SCHOLL
Department NB-1

**MERRILL LYNCH,
PIERCE, FENNER & BEANE**

70 Pine Street, New York 5, N. Y.
Offices in 107 Cities

BY MY WAY

R. S. Suffero



Streamlined, both directions

The only complaint I have about some of the more modern and daring designs of motor cars is that you can't always tell which way they are going.

All right, Mr. Geiger

I don't really need a Geiger counter. At least, I don't think I do. It is a comfort, however, to know that if I did need one I could go into a store and buy one, from about \$29.50 up. A Vermont friend—he has gone home now, and I refuse to reveal his name or address—said he got one so sensitive that he could, at night, hear his bed ticking. I think this man ought to be ashamed of himself for talking like that. But he isn't—he also mentioned wood ticks.

Maybe it's for the best

President Eisenhower was saying a while back that he was sorry his official duties kept him from doing the painting he would like to do. And I suppose there are artists who



have plenty of time to paint but who regret the circumstances that keep them from being President of the United States.

Where's that tan?

This is the time of year when persons who got nice and brown practically all over during the warmer months have begun to wonder what good it did them. My thoughts also go back to the old-fashioned girl who preserved what she called her complexion by not going out in the sun at all without a broad hat and a veil.

If she showed up today she would not be admired; she would be advised to eat more eggs, drink more milk, get more sleep and possibly go to Florida or California to get back a little color into those pale cheeks.

On being left-handed

A lady writes me (I can tell she is a lady by her handwriting) that she knows I am left-handed from the way my "signature slants." She sounds like a nice lady, and is herself left-handed, so she says. The trouble with my own left-handedness is it never did me any real good. It is only partial.

I write left-handed, I shovel left-handed, I eat left-handed but I throw and bat right-handed. This has kept me out of the major leagues, which I greatly regret.

Birds should be labeled

I like to watch and classify birds. I know robins, crows, sea gulls and things like that at a glance. But other birds bother me. It seems to me it would be a good idea if birds wore little signs, or badges, like members of lunch clubs, giving their names.

Then we would at a glance know a pink-eared sizzler from the more common double-breasted crumb guzzler, which, as every school child knows, is a left-wing bird with no brains to speak of.

The executive function

I have been being an executive while the real executive was on vacation. And now I know what an executive is: he is a man who gets other people to do his work for him. I wish I had known this sooner.

When the power goes off

One thing for which I'm grateful is electricity, after a big wind or snow-storm has interrupted its flow into my house for a few hours. Yet I once lived in great contentedness in a

house that had no electricity at all. If we had refrigerators in those days they had ice in them, brought by the iceman, not by a wire. As for radio and television, we had never had them and never missed them. But now I'm not happy, except when camping out, unless I have electricity. I sometimes think people in this generation would rather be struck by lightning than go without electricity.

I'll take 1955

I almost cried when I saw an old-fashioned kerosene oil lamp on sale recently. But I imagine that if I had to fill such a lamp every day, trim its wick and wash the soot off the inside of its chimney I'd have enough of the job in less than a week. The old days were picturesque, and I miss them, but they were more work than I would care to undertake at the moment. Imagine, for example, catching the mare and hitching her up to



go down to the store and buy a spool of thread. Or taking a bath in a tin tub beside the kitchen stove, with hot water from the reservoir at one end of the stove. Or a few other things not here mentioned.

Yes, that was an orange

I know that that beautiful orange-colored fruit in the fruit basket is an orange. I was brought up when that was the case. But will my grandchildren know? What they get, even now, is orange juice—fresh, delicious and wholesome, just as the advertisements say. However, they are likely to take it for granted that orange juice comes that way—perhaps out of a tree. The same with other juices and pre-prepared foods. Does any housewife today make a chicken pie at home? Or certain kinds of cake, rolls and biscuits? Does the dressmaker come to the house and make the housewife a dress? Or one of the boy children a suit? I've had suits made that way, at home, though this was some time back. The cow, of course, vanished long ago—all we have now is milk and milk products. Oysters and clams on the half shell still remain. But I am not sure that before long the shells will not be made of plastic. I am not complaining, of course.

Life gets handier all the time—and less lifelike.

For the Modern Business and Professional Office



The Compact Low-Priced Remington Office-riter

Thousands of business and professional men have enthusiastically approved the new Remington Office-riter as the perfect typewriter for their offices. And here's why: this unique and revolutionary development in typewriters is the only complete, full-featured office typewriter in compact size... and has the extra advantages of beautiful design and low price!

The Remington Office-riter has an 11-inch paper capacity with 10-3/10 inch writing line

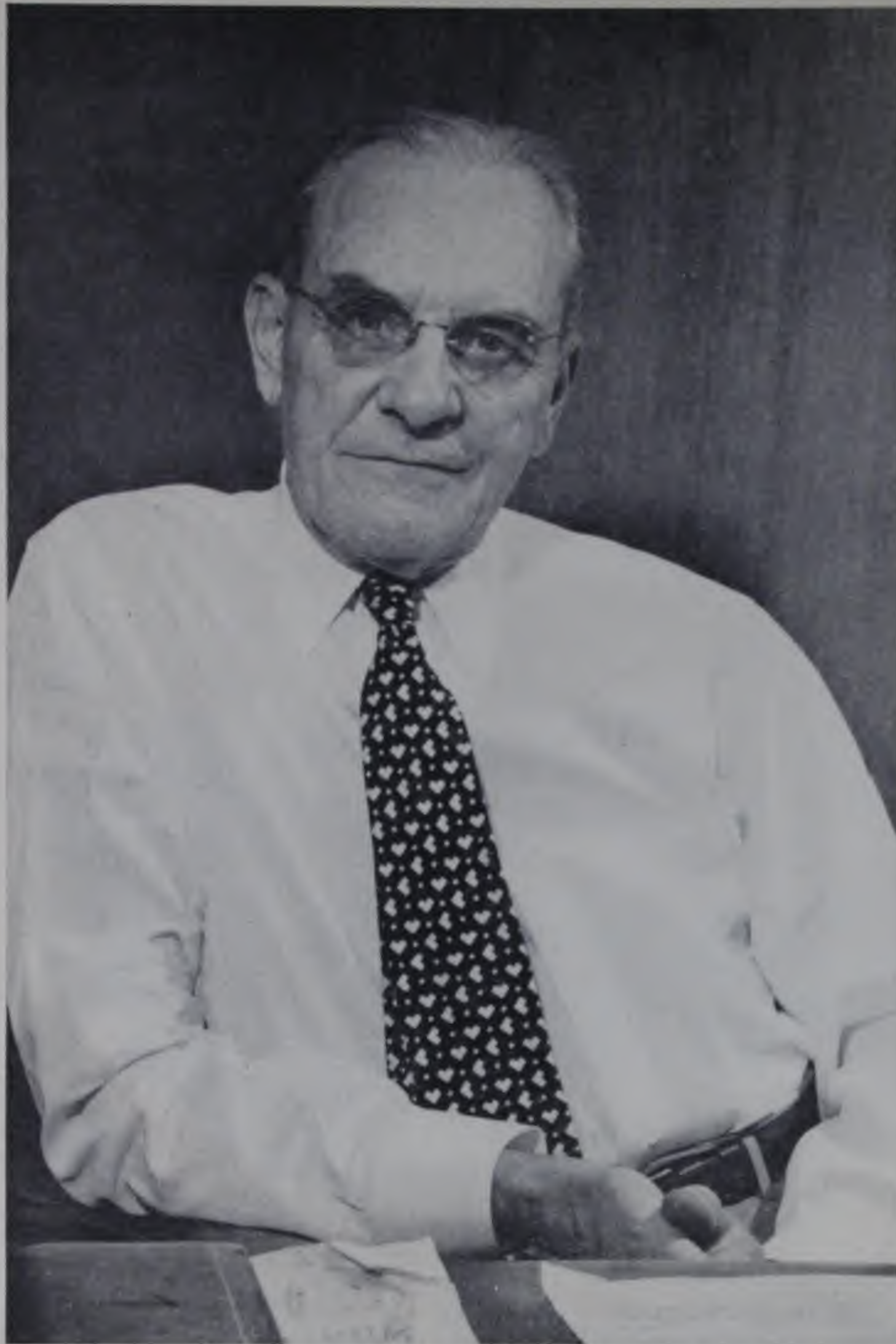
and a standard 44-key keyboard. It makes up to 10 carbon copies, cuts clean stencils and, with Exclusive Miracle Tab, sets up easily for all tabular work.

Call your local Office-riter dealer or Remington Rand Branch office for a demonstration today... you'll see how

well the Remington Office-riter can meet the typing requirements of your office and save you money, too. Be sure to ask how easy it is to buy the Office-riter on convenient terms!

Only
\$125
A WEEK
After Small Down Payment

Remington Rand DIVISION OF SPERRY RAND CORPORATION



"I've no need to worry about insurance protection"

*Says Mr. Archie K. McDonald
McDonald Motor Sales, 857 Grand Avenue
St. Paul 5, Minnesota*

For more than 20 years
Mr. McDonald has had
Hardware Mutuals protection for his
auto, home and business.

Typical of America's successful individual businessmen, Mr. McDonald carefully weighed his decision to carry his insurance protection with Hardware Mutuals.

This businessman had three definite needs:

1. Protection of employes;
2. Protection for his liability to others;
3. Protection of property owned

Hardware Mutuals best satisfied these needs by offering a program of protection tailored to fit his individual requirements.

Mr. McDonald liked the convenience of having his insurance protection with a single company. His Hardware Mutuals representative sees to it that Mr. McDonald has adequate protection without costly duplication.

Don't you agree that such carefully planned protection fills an essential need in this modern world? And— isn't it time you reviewed your complete insurance requirements?

Here's what Mr. McDonald says:

"Selling automobiles is my business. When I buy something you can be sure I look for quality, price and service. The dependability of Hardware Mutuals has been proved to me.

"Here's the protection I have:

- complete home fire insurance
- household goods insurance
- personal auto insurance
- workmen's compensation insurance
- group accident and health insurance
- auto garage liability insurance

"In my experience, claims are always handled promptly to my complete satisfaction. Moreover, the dividends I have received mean lower cost for quality protection and service.

"I'm glad I have Hardware Mutuals protection."

Insurance for your AUTOMOBILE...HOME...BUSINESS

Hardware Mutuals®

Stevens Point, Wisconsin · Offices Coast to Coast

HARDWARE MUTUAL CASUALTY COMPANY

HARDWARE DEALERS MUTUAL FIRE INSURANCE COMPANY

Hardware Mutuals NB-10
200 Strongs Avenue
Stevens Point, Wis.

I would like information about Insurance
Protection for my auto, home and business.

Name.....

Street.....

City.....Zone.....State.....

Trends of Nation's Business:

State of the nation

By Felix Morley



GEORGE LOHR

Progress thrives on rivalry of ideas

THE LEGAL fraternity, composed almost exclusively of college graduates, is currently celebrating the two hundredth anniversary of the birth of a great jurist. John Marshall, the oldest of a family of 15, never attended college. Nevertheless it was he who, according to the recent estimate of President Eisenhower, "made of the Constitution a vital, dynamic, deathless charter for free and orderly living in the United States."

Traditional Democrats would be more qualified in their praise of Marshall's work. But all who have studied his long series of judgments as Chief Justice—from 1801 to 1835—will agree that they paved the road to the establishment of the United States as the most powerful nation the world has ever seen. That outcome has been the direct result of Marshall's consistent rulings against states' rights, and for the implied powers of Congress to overrule local interests in behalf of what it regards as the general welfare.

The imperial trend in Marshall's thought was clearly revealed as early as 1810, in an opinion (Fletcher vs. Peck) which annulled an act passed by the legislature of Georgia. The Chief Justice then informed that state that it was only "a part of a large empire . . . a member of the American Union . . . which opposes limits to the legislatures of the several states."



Nobody can today successfully detract from Marshall's stature, and during his bicentennial year nobody is likely to try to do so. At a time when the United States could easily have been

broken into fragments, by either internal dispute or external aggression, this self-taught lawyer welded it into a unity strong enough to withstand the Civil War. But enforced unity, as that conflict in itself emphasized, will always tend to arouse resentment. And many thoughtful Americans, as worthy of remembrance as John Marshall, have continuously maintained that freedom fades at the grass roots when power is concentrated at the center.

So it is altogether fitting that the current interest in Marshall is balanced by an increasing attention to another outstanding American of the same era. The contrast between John Marshall and John C. Calhoun is stimulating, for it would be difficult to name two men, contemporary leaders in the same government, whose equally well reasoned views on the nature of their own political system were more diametrically opposed.

Calhoun was not only a political philosopher of the first rank but also, like Marshall, a practical statesman. Both men were southerners who entered politics through their state legislatures (respectively South Carolina and Virginia). Both then went on to Congress. Both ably filled the exacting office of Secretary of State. Marshall moved to the Supreme Court. Calhoun became Vice President, narrowly missed the White House and ended his career in Washington, 15 years after Marshall's death in Philadelphia, as one of the most influential senators of all time.

Marshall was fortunate in having Justice Story, his colleague and devout admirer, as an immediate biographer. Calhoun, who was accused in the

State of the nation

North of having set the stage for the Civil War, was for that reason largely ignored until Charles M. Wiltse published his brilliant three-volume biography ten years ago. Since Mr. Wiltse cleared the brambles from Calhoun's reputation there have been several popular and sympathetic studies of his life and thought. Recently Pennsylvania State College, where Milton Eisenhower is president, has published a long overdue compilation of *Basic Documents* on Calhoun, including the heretofore almost unobtainable *Disquisition on Government* which the senator wrote shortly before his death in 1850.

The argument of this great political treatise is as timely and cogent today as when it was written. For just as John Marshall had presented the case for enlargement of the federal power, so John Calhoun, in this rebuttal, systematically attacked it. One may take almost any current issue of magnitude, from the abolition of segregation to the Bricker Amendment, and find the underlying points analyzed, pro and con, in the writings of these two men.

Calhoun's thesis is based on the assumption that every political community necessarily contains divergent interests. There is always some conflict of viewpoint between those who pay wages and those who receive them; between those who lend money and those who borrow it; between those who produce food and those who consume it. This conflict is disguised but not eliminated in overlapping opposites like "tax payers and tax consumers." Those who levy taxes also pay them. Those who receive no governmental subvention undoubtedly derive some benefit from the taxes they pay. Nevertheless there will always be a latent antagonism between those who subsidize the government and those subsidized by it.

Because of these permanently divergent interests, reasoned Calhoun, it is disastrous to give a mere numerical majority absolute control. That majority cannot itself govern, but merely delegates control to relatively unsupervised officials. If these have unrestricted power they will exercise it in the interest of those in a position to dominate elections. If manufacturing is the dominant force, then farmers and wage earners will suffer. If labor controls, business and agriculture will be depressed. If agriculture is in the saddle, wage earners will pay high for food and manufacturers will get no tariff protection.

Therefore the basic problem of constitutional government is not merely to give citizens the vote, but rather to insure that every legitimate minority shall be protected against the potential tyranny of

the majority. No government has long endured, Calhoun affirms, unless it has established what he calls "the concurrent majority," meaning the representation of local or particular interests in an organ which must add its approval to that of the generally representative chamber.

Thus, in Great Britain, all laws require "the concurring assent of the lords and commons." But the trouble there—Calhoun was writing in 1850—is that the House of Lords represents hereditary and privileged interests, likely to be at variance with those of the people as a whole. A much more desirable illustration of the concurrent majority is our own Senate, which represents the states as such rather than any class interest. Under our Constitution the majority will of the people as a whole, expressed through the House of Representatives, must get concurrence from the localities, as expressed in the Senate. Therefore it is the plain duty of a senator to speak and vote for a sectional rather than for a national viewpoint.

Of course the political philosophy here outlined could be (and was) used to justify secession, just as the centralizing theories of John Marshall, if carried to logical conclusion, would justify abolition of the states as autonomous governmental units. But both men were too level-headed to carry their respective positions to extremes. Calhoun always opposed the southern hotheads who, even in his day, were advocating disintegration of the Union. And John Marshall said: "No political dreamer was ever wild enough to think of breaking down the lines which separate the states, and of compounding the American people into one common mass."

In a federal republic, which is by definition a union of at least partially self-governing states, there must always be these two contradictory political trends. One party will tend to demand centralization of power in the central government as the most effective way to advance the national interests as a whole. Its opposition will react to defend the constitutional rights of the constituent states, as the most effective way to defend local interests, traditions and freedom. The United States has a two-party system, with all its advantages of simplicity and efficiency, simply because these two opposing viewpoints are built in.

Currently we honor the memory of the man—John Marshall—who above all other Americans promoted the case for centralization of power. For that very reason it is an appropriate time to reflect upon the careful thinking of Marshall's most brilliant and influential opponent—John C. Calhoun. One may be sure that the rival personalities in our politics will be well exploited during the coming presidential year. There is equal interest in going deeper—to the rivalry of ideas on which the balanced foundations of our republic rest.

Only through **MONY MODULE** could these three companies solve their **Employee-Benefit** problems



THE PRACTICAL ANSWER

Mr. Robert Halvorsen, President, Sterling Die Casting Co., Inc., Brooklyn, N. Y., says, "The fact that the average age of our employees is 47 years seemed an insurmountable problem in setting up a realistic retirement plan. MONY Module has been the practical answer because it requires no large initial payment to cover past services of older employees."



UNIQUE PREMIUM GUARANTEES

Mr. R. H. Nichols, President, The Vernon Daily Record, Vernon, Texas, states, "I had never found any other plan that did not leave much to be desired when related to a small employee group. MONY gave me a tailor-made plan, and its unique premium guarantees assure me that future pension costs for established benefits will not get out of hand."



ALL IN ONE PACKAGE

Mr. Lindell Peterson, President, Chicago Mortgage Investment Co., Chicago, Ill., says, "Until we heard of MONY Module, we could not find a plan to do everything we wanted at a reasonable cost. The size of our company was a hindrance in one place, the cost in another. But MONY Module solved all our problems in one package at a price within our means."

New plan offers flexible, low-cost program — even for smaller groups!

Before MONY Module there was no employee-benefit plan that allowed both smaller and larger businesses to meet all their needs economically and efficiently. But now, because it's so flexible, MONY Module solves that problem—for firms employing as few as 10 or as many as 10,000.

MONY Module is a unique idea, and it's unusually simple! With it, you can literally "build your own" program—unit-by-unit—using combinations and amounts of the following benefits that are not only

right for your employees but best for your budget:

1. Retirement for the employee.
2. Life insurance for the employee.
3. Widow's pension to supplement Social Security.
4. Disability income for the employee.
5. Hospital, surgical, and medical benefits for the employee and his family.
6. Payments for major medical expenses (available only for groups of 25 or more employees).

Whether you want only life insurance, or the most complete package of benefits available, find out more about MONY Module and how it fits your needs. MONY offices are located throughout the United States and in Canada.

**FOR COMPLETE INFORMATION ABOUT MONY MODULE
FOR YOUR BUSINESS, MAIL THIS COUPON TODAY!**



MUTUAL OF NEW YORK

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Life Insurance—Accident and Sickness—Hospitalization—
Retirement Plans... FOR INDIVIDUALS AND EMPLOYEE GROUPS

MONY TODAY MEANS MONEY TOMORROW!

Mutual Of New York, Dept. N. B.-4
Broadway at 55th Street, New York 19, N. Y.

I'd like to find out more about MONY MODULE—
and what advantages it offers me and my employees.

Name _____ Title _____

Company Name _____

Type of Business _____ No. of Emp. _____

My fiscal year ends _____

Address _____

City _____ State _____

**VICTOR ADDING MACHINE CO.
DIRECT FACTORY BRANCHES**

AKRON 8, OHIO
34 S. High Street
Phone: FRanklin 6-5121

ATLANTA 3, GA.
608 Peachtree St., N.E.
Phone: ATwood 3846

BALTIMORE 18, MARYLAND
2107 N. Charles St.
Phone: TUxedo 9-2890

BIRMINGHAM 3, ALA.
1821 Fifth Ave., N.
Phone: 4-1874

BROOKLYN 7, N. Y.
2697 Atlantic Ave.
Phone: TAYlor 7-7404-5-6-7

BUFFALO 9, N. Y.
1053 Main St.
Phone: SUMmer 6953 & 6954

CHARLOTTE 8, N. C.
1007 W. Morehead St.
Phone: FRanklin 5-7708

CHICAGO 10, ILLINOIS
540 N. LaSalle St.
Phone: WHitehall 4-6330

CLEVELAND 15, OHIO
3222 Carnegie Ave.
Phone: EXpress 1-4650-1-2-3-4

DALLAS 1, TEXAS
1731 N. Harwood St.
Phone: STerling 5531

DAYTON 8, OHIO
826 Cincinnati St.
Phone: ADams 6258

DETROIT 8, MICH.
4111 Grand River Ave.
Phone: TEmple 1-4303

HOUSTON, TEXAS
2905 Fannin St.
Phone: CApitol 8-9471

INDIANAPOLIS 4, IND.
311 N. Capitol Ave.
Phone: MEIrose 5-1336; 5-1337

KANSAS CITY 8, MO.
1730 Main
Phone: VICTor 7966-67-68-69

LONG BEACH 13, CALIF.
946 American Ave.
Phone: LONG beach 70-2949

LOS ANGELES 17, CALIF.
720 S. Flower St.
Phone: MIchigan 8573

MEMPHIS 4, TENN.
1428 Union Ave.
Phone: 36-5492

MIAMI, FLORIDA
6675 Biscayne Blvd.
Phone: PLaza 8-9412

MILWAUKEE 8, WIS.
3732 W. Lisbon Ave.
Phone: DIvision 4-6025-26-27

MINNEAPOLIS 14, MINN.
3036 University Ave., S.E.
Phone: MAine 8317-18
Midway 1008

NASHVILLE 6, TENN.
3247 Gallatin Road
Phone: 28-1363

NEWARK 5, N. J.
100 Astor St.
Phone: BLigelow 3-2006-7-8-9

NEW ORLEANS, LA.
1620-22 Almonaster Ave.
Phone: VICTor 3378-9

NEWTON HIGHLANDS 61, MASS.
24 Elliot St.
Phone: LAseII 7-7181

NEW YORK 16, N. Y.
386 Fourth Ave.
Phone: MUrray Hill 9-4080

OAKLAND 12, CALIF.
534 20th St.
Phone: TEmple Bar 2-5748-49

PHILADELPHIA 3, PA.
1616 Walnut St.
Phone: KI 6-0954-5-6-7-8-9

PITTSBURGH 13, PA.
3532 Forbes St.
Phone: MUseum 1-2843-44

RICHMOND 20, VA.
308 W. Cary St.
Phone: 3-8355; 3-8356

SACRAMENTO 14, CALIF.
1714 Capitol Ave.
Phone: HUDson 1-3156

ST. LOUIS 3, MO.
2035 Olive St.
Phone: MAine 1-3630

SALT LAKE CITY, UTAH
1355 S. Main St.
Phone: 84-5571

SAN FRANCISCO 5, CALIF.
36 Second St.
Phone: EXbrook 2-4775-76-77

SEATTLE 4, WASH.
811 Second Ave.
Phone: ELliott 3058

SOUTH BEND 14, IND.
2803 S. Michigan St., Suite 200
Phone: SOUTH Bend 7-2348

TOLEDO 13, OHIO
3926 Secor Road
Phone: KLondike 4659

WASHINGTON D. C.
4543 Wisconsin Ave., N.W.
Phone: EMerson 3-9666-7-8-9

WILMINGTON 1, DEL.
215 W. Ninth St.
Phone: WILmington 4-8897-98

YONKERS, N. Y.
646 Tuckahoe Road
Phone: SPencer 9-1100

NEW! Victor Duomatic combines cash register, adding machine

LOWEST PRICE ITEMIZER EVER
Famous Victor quality and durability

Look at the wonderful new Duomatic cash register by Victor . . . the **ONLY LOW-COST MACHINE** with the features of a fine cash register *plus* an adding machine, all in one!

The Duomatic itemizes every sale . . . adds and prints individual amounts, as well as totals, on tape . . . along with designation of clerk or department.

Also you can add up charge purchases . . . or do any other miscellaneous adding machine work, any time . . .

without disturbing your cash total.

No other machine does so much and costs so little. And the Duomatic's modern-design, rugged Fiberglas case is practically indestructible . . . won't crack, chip, rust or dent.

See this beautiful new machine — compare its low price — get a free demonstration. Write or call the nearest Victor factory branch for the name of your Victor representative or dealer. Call collect if you wish, or write:

Victor Adding Machine Co., Chicago 18, Ill.

Victor-McCaskey Limited — Galt, Ont.

*Manufacturers of Business Machines,
Cash Registers, Business and Industrial Systems,
Electronic Equipment, Electri-Cars.*



**OVER 500
SALES AND SERVICE POINTS
IN THE UNITED STATES**

Trends of Nation's Business:

Washington mood

By Edward T. Folliard



Skirmishing promises hot campaign

THE SKIRMISHING phase of the 1956 campaign is here. About this time next year, the battle will be at a crescendo, as we are again caught up in the drama of a presidential election.

Who will be the nominees? What will be the outcome?

Until the afternoon of Sept. 24, most of the professionals were assuming that the nominees would be the same as in 1952: Dwight D. Eisenhower and Adlai Stevenson.

Then came the stunning news from Denver that President Eisenhower had suffered a heart attack and the 1956 campaign was wrapt in a cloud of the deepest uncertainty.

Naturally, the first reaction was one of concern for the great soldier-statesman and an outpouring of prayers for his complete recovery.

Then, as was inevitable, came the speculation over what effect the President's health would have on the campaign.

Would a man who will be 65 this month dare to take on another four years of the presidency after such an attack?

If President Eisenhower is out of the political picture in 1956, who then would the Republicans turn to for a standard-bearer?

The Republicans were unprepared for this question. They had given no serious thought to any potential candidates beyond the President himself.

I first noticed this at the annual Governor's Conference in Chicago back in August. There was no

idea then that President Eisenhower was in danger of any cardiac trouble. Nevertheless reporters did ask Republican governors what they would do if he should decide to retire.

"Well," said one, "we'll wait till we come to that bridge, and then jump off of it."

Subsequent to the Governors' Conference, the Republican state chairmen from different parts of the country met in Washington.

Reporters also asked them what they would do if President Eisenhower said, "No."

"We aren't even willing to accept that as a possibility" said James C. Wood, Republican state chairman for Arizona.

The President himself has scoffed at the doctrine of the "indispensable man," and has insisted that the G. O. P. was rich in able leaders.

Beginning early in August he brought into the open something that must have been on his mind for some time. Talking to a group of Ohio Republicans, he spoke frankly of his age and his health. He pointed out that no American President had ever reached the age of 70 in the White House. (That would be his age toward the end of a second term.) He noted, too, that there is an erosion which takes place in a man in his august office.

There are said to be about 10,000,000 men and women in the United States who have suffered heart attacks. Most of them are doing useful work and living happily.

Doubtless many Americans would like to think that President Eisenhower will recover to the point where he feels that he would be able to handle the presidency for another four years. Now, however, nobody can, with good grace, urge him to run again. It would smack of heartlessness.

In the speculation that has developed over the choice of a Republican nominee if the President himself is not available, the names of four Californians are in the forefront. This certainly must be something without precedent in American politics.

The four are Vice President Richard M. Nixon, Sen. William F. Knowland, Gov. Goodwin Knight and Chief Justice Earl Warren. The Chief Justice has said that he would not be a candidate under any circumstances or conditions. He is a man who

Washington mood

usually means what he says, but some of his admirers refuse to drop him from the speculation.

Others who have been mentioned for the Republican nomination from time to time are: Gov. Theodore R. McKeldin of Maryland; Gov. William G. Stratton, Illinois; Gov. Fred Hall, Kansas; and Sen. Everett Dirksen of Illinois.

A Republican ticket without the name of President Eisenhower would, of course, definitely improve the Democrats' outlook for 1956. No other man in the G. O. P. seems to have such a strong appeal for Democratic and independent voters.

Adlai Stevenson has said that he will announce next month whether he will be a candidate for the Democratic nomination in '56. If his hat goes in the ring, as most Democrats expect, he will automatically become what the politicians call the "front runner" in his party. All agree, however, that he will have to fight to get the nomination.

• • •

Fortunately for America's two-party system, there is always the assurance of a battle for the Presidency no matter how lopsided the political picture may seem to be. In the days when the Democrats were top dog, politically speaking, Republicans continued to scrap for their party's nomination. The fight was especially hot in 1940. Wendell Willkie after beating Taft and Dewey for the G. O. P. prize, expressed the hope that FDR would be his opponent with the words: "I want to take on the Champ."

Next to Adlai Stevenson, the man who seems to be attracting the most attention in connection with the Democratic nomination is Gov. Averell Harri- man of New York. His political stock took a jump last November when he won his present post thus ending a 12-year Republican sway in Albany.

Others who are being talked about for the Democratic nomination are Gov. G. Mennen (Soapy) Williams of Michigan, Gov. Frank Lausche of Ohio, Sen. Estes Kefauver of Tennessee, and Sen. Lyndon Johnson of Texas.

Whoever the Democratic standard bearer may be, it looks as if a familiar campaign figure will again be out on the stump for the party of Jefferson and Jackson next year. This, of course, would be former President Harry S. Truman. He already has struck some blows, and (provided his doctor says it's all right) he plans to roam the country once the campaign really gets going.

Some people think that Mr. Truman plays too rough. Leonard Hall, chairman of the Republican National Committee, recently accused him of indulging in smears and personal attacks. That isn't going to faze the Missouri warrior; one suspects that he would be sorely disappointed if he failed

to draw blood with a political speech. He grew up in a rough political school.

It was said in 1952, by Democrats as well as Republicans, that Mr. Truman did a disservice to his party—that he took votes away from Adlai Stevenson every time he made a speech attacking General Eisenhower.

Assuming just for argument's sake that this was so, would it be safe to assume that Mr. Truman also would be a handicap to his party in '56?

It certainly would not be, for the good reason that no two political campaigns are ever quite the same. Over and over again, politicians have seen issues and tactics flop in one campaign and bring victory in another. Also, as Vice President Nixon has pointed out, former Presidents of the United States seem to gain in popularity the longer they are away from the White House, a statement that is certainly borne out by the case of Herbert Hoover.

Anyway, Mr. Truman hopes to be out on the firing line, blasting away at the opposition for all he is worth. He used to say that politics was the greatest of all games; greater than football, baseball and golf rolled into one.

• • •

The so-called feud between President Eisenhower and Mr. Truman has been the talk of Washington for some time. They used to be the best of friends. They were friends even after General Eisenhower came back from Europe to run for the Presidency. They were friends indeed right up to the time Mr. Truman took to the stump in the '52 campaign and began calling the soldier-statesman a "demagogue."

In the lexicon of politicians, demagogue is not regarded as a very harsh epithet. Representative Martin Dies of Texas actually started a Demagogues Club in the House, and many of his fun-loving colleagues hurried to sign up.

Professionals in politics find it easy to lambaste each other on the stump and then greet each other warmly after the battle is over.

General Eisenhower, who spent 40 years in the Army, evidently was surprised and shocked by Mr. Truman's tactics in '52. He just couldn't understand how a man who asked him to run for President on the Democratic ticket would turn around and upbraid him when he ran on the Republican ticket.

The President and the former President are two of the friendliest men one could hope to meet. Those who know and like them both have been distressed by the chill in their relationship.

The situation suggests an interesting question. Suppose the careers of these two Midwesterners had been reversed; that it had been Mr. Truman who went to West Point (as he wanted to do and might have done had it not been for poor eyesight) and General Eisenhower who went into politics: What would be their respective viewpoints now?

JOBLESS PAY UP \$175,000,000; MORE BOOSTS ASKED



**Administration urges wider coverage, higher
pay for unemployed as tax, now \$1,200,000,000,
rises to meet changes already made in law**

BUSINESS next year will feel the full impact of the most sweeping liberalization of unemployment insurance and related benefits since the government started the jobless pay program 20 years ago.

More businesses will pay taxes and many will pay higher taxes to assure larger unemployment payments for more workers over a longer layoff period.

The average weekly benefit check—assuming unemployment conditions remain the same—will be larger by ten per cent, or \$2.50, NATION'S BUSINESS learned from Director Robert C. Goodwin of the U. S. Bureau of Employment Security. Total increase will be \$175,000,000 a year.

As a result of government actions:

- Some 365,000 businesses employing fewer than eight workers will, on Jan. 1, begin to pay a three per cent unemployment tax—about \$150,000,000 a year—on the wages of their 1,700,000 employees.
- Thirty-five states (Alaska, Hawaii and District of Columbia are counted as states) which raised benefits this year will be paying an average of \$4.50 more in maximum weekly unemployment payments. They will range to \$54 in Michigan (highest among states) and \$70 in Alaska, including allowances for dependents.
- Seven states will pay increased benefits for a longer period of layoff.
- Higher temporary disability in-

surance for nonoccupational sickness and injury will be paid in the four states (California, New Jersey, New York, Rhode Island) paying disability benefits.

► Unemployment taxes of about \$1,200,000,000 annually now being paid at an average rate of 1.12 per cent of payroll—lowest in history—will rise to pay for the higher benefits unless we have less unemployment. The rate fluctuates with the condition of state reserve funds, and some are running into trouble already. The average rate recently went down in 35 states, up in 13.

► In four states—Alaska, Delaware, Oregon and Rhode Island—20 per cent increase in unemployment tax already has been imposed on many

**Coverage
has more than
doubled**

**from 19,900,000
in 1935**

to 41,000,000 today



employers through an increase in the taxable wage base from \$3,000 to \$3,600. Fifth state with a \$3,600 base is Nevada.

► Unemployment insurance has been extended this year to 2,500,000 federal civilian employees.

In addition:

► Automobile and other companies which signed labor contracts providing 26 weeks of supplemental unemployment benefits will begin payment of benefits out of trust funds as needed on June 1 if the SUB plan passes the tests of tax and unemployment insurance laws. The plan has passed the wage-hour law test—that employer contributions to SUB trust funds will not be counted as part of wages in computing a worker's time and a half overtime pay.

► Major can companies will begin making any needed supplemental unemployment payments on Oct. 1 if certain tax aspects of their 52-week plan are approved.

► Before July 1, the CIO United Steelworkers will try to negotiate the 52-week supplemental unemployment benefits plan from major steel producers.

► Railroads next year will begin paying three times as much unemployment tax as previously into the Railroad Unemployment Insurance Fund which covers 1,245,000 railroad employees. The rate since 1948 has been one half of one per cent of railroad wages up to \$4,200 a year. In January it will go to 1½ per cent because of shrinkage of the unemployment fund to less than \$400,000,000. This is due to heavy railroad unemployment last year and benefit increases which Congress has voted three times since 1951.

Looking further ahead, there will be agitation in Congress and state legislatures to:

► Extend unemployment insurance to cover 4,400,000 employees of local and state governments and 2,000,000 employees of small businesses

not already brought under the program by state legislatures.

► Provide in other states temporary disability insurance like that now in effect in California, New Jersey, New York and Rhode Island.

► Set up programs for retraining and relocating workers in areas of chronic unemployment.

► Assure the operation of private supplementary unemployment benefit plans by approving the simultaneous payment of state unemployment insurance and the private supplement.

Secretary of Labor James P. Mitchell and Mr. Goodwin attribute the recent increases and other changes in unemployment insurance largely to President Eisenhower's prodding of Congress and the states to, 1, bring weekly benefits up to half of a worker's regular earnings; 2, pay all unemployment benefits for 26 weeks if necessary and, 3, extend them to employees of small businesses and local and state governments.

Secretary Mitchell figures that 70 per cent of workers covered by unemployment insurance now work in states paying a basic maximum benefit of at least \$30 a week; 73 per cent work in states which pay benefits for a maximum of at least 26 weeks. Basic benefit does not include allowances for dependents, which are paid in 11 states.

"More states acted this year to improve benefits than in any previous year in the history of the program," says Mr. Goodwin, who has directed government unemployment insurance activities since 1945.

Secretary Mitchell, who followed through on President Eisenhower's recommendations with a direct appeal in letters to state governors, says some of the "most important improvements" have come in the past two years.

The effect, according to Secretary Mitchell, is to give workers greater protection against wage loss. Employers, local communities and the nation gain greater assurance of sus-

tained consumer buying power even in times of rising unemployment, the secretary says. Despite this, Mr. Mitchell feels further improvements are needed. He says:

"If this program is to reach its full potential as an aid to jobless workers, benefits must be increased and coverage extended to all workers subject to the threat of involuntary unemployment . . .

"Benefits are still insufficient to enable jobless workers to maintain a substantial part of their customary expenditures . . ."

Here's a quick look at how unemployment insurance has grown over its 20-year span, and what President Eisenhower, Secretary Mitchell and other administration spokesmen have in mind in the way of further improvements in jobless benefits:

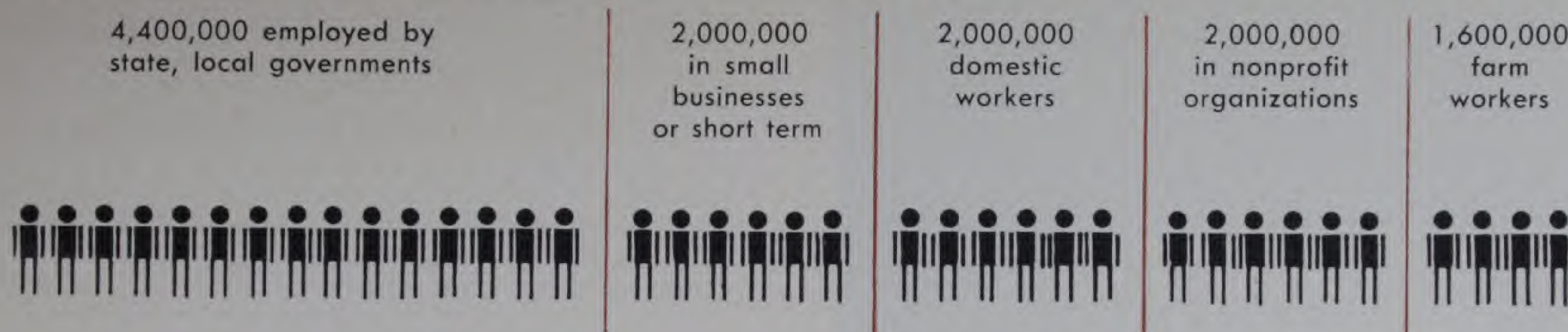
Employees covered

Congress has reduced from eight to four employees the size of business subject after Dec. 31 to the Federal Unemployment Tax Act, which covers most businesses under the federal-state employment security system. Twenty-three states have voluntarily gone further than the federal minimum standard by applying the unemployment tax also to some employers of fewer than four. New York, for instance, will cover employers of three or more, beginning in January, and employers of two or more in 1957. Eighteen states cover businesses employing even a single worker. Coverage has more than doubled from 19,900,000 to 41,000,000 employees.

Secretary Mitchell says 12,000,000 employees still lack unemployment insurance protection. They include, in addition to those employed by local and state governments, 2,000,000 employed in small businesses or in jobs for less than 20 weeks a year; 2,000,000 domestic workers in private homes; 2,000,000 employed by certain exempt non-profit-making organizations, in agricultural processing or other exempt work, and 1,600,000 farm workers.

Main targets for coverage are the

Government would extend program to 12,000,000 who now lack protection



local and state government employees and 1,500,000 employees of small businesses. A start already has been made in this direction. Rhode Island this year covered certain state employees and permitted coverage by local governments if they choose. Alaska has covered employees of those of its agencies which wish to be covered. New York has just extended coverage to its part-time employees. Full-time employees were already covered. Oregon has extended coverage to employees of its publicly owned utilities districts; California to employees of federal credit unions if the credit union elects to cover them.

"Government," President Eisenhower said in his economic report, "ought not to deny its own employees the protection it requires the private employer to provide for his."

Benefits paid

The average weekly benefit check has risen in 20 years from \$10.66 to \$25.05, with \$14,000,000,000 in benefits having been paid for a total of 780,681,000 weeks of unemployment.

In the beginning practically all states paid a maximum of \$15 a week and none paid allowances for dependents. In 1956 the maximum basic payment paid by states will range from \$24 in Virginia to \$36 in New York and Wisconsin and \$45 in Alaska. Thirty-three states will pay a basic maximum of \$30 or more. Two more will pay that amount when dependents' allowances, paid in 11 states, are included.

This year Arizona dropped allowances for dependents, but increased the maximum basic benefit from \$20 to \$30. Illinois added dependents' allowances.

Most of the increased benefits voted by state legislatures this year took effect July 1. The change is not effective until Jan. 1 in Oregon and Rhode Island and April 1 in Illinois. As a result of the increase, average jobless pay, which hit a new high of \$25.05 a week for the 5,405,000 recipients during the past fiscal year,

"will increase still further" in the opinion of Secretary Mitchell.

An estimated 60,000 idled by August floods in northeast states were expected to draw about \$1,000,000 a week in unemployment insurance. Those in Connecticut and eastern Pennsylvania cashed in on the \$5 increase in maximum benefit put into effect by their states.

The District of Columbia law, which President Eisenhower said "could be a model for the states," would pay a maximum basic benefit of two thirds of the average D. C. wage, for up to 26 weeks for all receiving benefits, under an amendment which passed the Senate and is pending in the House. The American Federation of Labor says the Senate-approved bill includes an AFL-backed formula under which the jobless worker would be entitled to about half his weekly wage until the compensation reached two thirds of the D. C. average wage. The D. C. average would be computed annually. On the basis of 1954 wages a D. C. unemployed worker would receive up to \$54.

In Ohio employers have organized an Ohio Information Committee, Inc., to finance an educational campaign to defeat at the polls next month a CIO-sponsored referendum to increase unemployment benefits more than the \$3 basic boost the legislature put through this year. The CIO has managed to put on the ballot a proposal to increase the basic maximum benefits from \$33 to \$50; raise the maximum allowance for dependents from \$6 to \$9; extend maximum duration of payments from 26 to 39 weeks, and permit payment of state benefits simultaneously with private supplemental unemployment pay as under the automobile and can industries' plans.

Duration of benefits

In all, 28 states will be paying benefits for as long as the 26 weeks recommended by President Eisenhower, with Pennsylvania topping them all with a maximum of 30 weeks. Only six states, however,

have met the President's plea that the half year's protection be available uniformly to most unemployed. In the other 22 states with a 26-week maximum the duration of payment depends on the amount of earnings or number of weeks employed in the base period.

In the beginning, no state paid for more than 20 weeks. Thirty-two states paid for a maximum of 16 to 20 weeks, the others 12 to 15 weeks. The average potential duration for those who received benefits has risen from 19.8 weeks in 1946 to 22.2 weeks last year. The increase is reflected in the fact that last year the average actual duration of benefits paid was the highest ever, 13.6 weeks, and the average duration for those who exhausted their benefits while still out of work also reached a new high, 20.6 weeks. Some 1,773,000 exhausted their benefits last year, the highest since fiscal 1950, when payments ran out for 2,383,000 unemployed.

While urging a uniform benefit of 26 weeks in all states President Eisenhower recognizes that an increase in the level and duration of benefits to the standards he recommends may call for some tightening of the safeguards against abuse. Some states, while increasing benefits, also raised eligibility standards so that some unemployed get even less or no benefit at all despite the higher maximums.

Taxes

More than \$20,000,000,000 in unemployment taxes has been paid by employers and a small amount by workers. The figure has been running about \$1,200,000,000 a year. Only New Jersey and Alabama, out of nine states originally, now regularly collect a tax—not more than one per cent—from workers as well as employers. Alaska, where the reserve fund is in trouble, has imposed a temporary tax of one half of one per cent for employees on this year's and next year's wages.

The average tax rate fixed by
(Continued on page 104)

AUTO OUTLOOK:

35,000,000 NEW CARS IN NEXT FIVE YEARS

Auto sales will rise three times faster than population

WITH 1955 automobile production headed for an all-time high, the appearance of the new 1956 models has posed the perennial postwar question: How long can the auto boom last?

In the ten years since the end of the war a spectacular 48,000,000 cars have come off the assembly lines. The production of more than 30,000 cars a day has become routine. Output has far exceeded the predictions of a few years ago and even the most optimistic market analyses have turned out to be overcautious.

But the outlook for the next five years indicates that the record-breaking has just begun. If the robust health of the economy continues, more cars will be produced from 1956 through 1960 than in any other five-year period in automobile history.

The result will be to boost registrations from today's 50,000,000 cars to 60,000,000 by 1960. Domestic sales in the next five years should total 32,500,000 units—an average of 6,500,000 new cars every year.

Production of cars for export will increase this figure. The foreign market has been running at the rate of less than 200,000 units annually, but the total can be expected to increase as world economic conditions and an unprecedented rate of highway building create a greater automobile demand abroad. The result should mean average annual production of at least 7,000,000 automobiles.

One basis for the estimate of total auto ownership is the relationship between numbers of cars and the total national production of goods and services. Since 1940 the number of cars registered has increased 80 per cent. The gross national product, expressed in constant dollars, has increased by almost the same per cent. With a possible 20 per cent increase in gross national product between 1955 and 1960, a proportionate increase in auto registrations would add 10,000,000 cars to the 50,000,000 now on the roads.

To estimate production needs, it is necessary to consider the people who are going to buy cars. The market for automobiles is made up of three classes of buyers:

Those who are replacing their cars.

Those who are becoming car owners for the first time.

Those who are becoming multiple-car owners for the first time.

The replacement market is obviously the big one. Approximately 82 per cent of all new car buyers turn in their old car on a new one. In 1950 the figure was only 70 per cent. Customers decide to buy on the strength of several considerations, including the age and decrepitude of the cars they have and how much they can get for them as turn-ins. The rate of trading is also determined by the glamor of the new lines and the rate at which technological advances are being introduced. The final decision is based on current economic conditions and the degree of confidence that the purchasers have in the future, hence in their ability to meet the payments.

The outlook at present indicates that a combination of prosperity plus the introduction of further technological changes in automobile design and performance will increase replacements and speed the rate at which old cars reach the scrapping stage.

A total of 3,500,000 cars went to the graveyard in 1954, but a combination of better cars and widespread confidence in the economic future should speed up the trade-in process. As a consequence, the scrappage rate for the five year period through 1960 should mean an average automobile mortality of some 4,500,000 units a year. That is, we will have to produce 22,500,000 cars in the next five years just to keep total auto ownership at the present level. Adding this 22,500,000 to the predicted 10,000,000 increase in total

ownership gives us an estimated output of 32,500,000 cars—or 6,500,000 a year for domestic use.

First time buyers will account for a large percentage of the new car sales. A guess as to how many of these people are to be expected can be based on projection of population and income. At present there is one car for every 3.3 persons in the United States. In 1940 there were 4.8 persons for every car. In 1950 the figure was 3.8. A conservative projection of this trend to 1960 indicates one car for every three people. A population close to 180,000,000 again yields the figure of 60,000,000 automobiles.

Actually the factors in the automobile picture for the next five years are not so apparent or so easy to weigh as this simplified calculation implies. For example, population growth between now and 1960 will not of itself be as significant to the automobile market as it was during earlier postwar years. Although by 1960 we will probably have 16 to 20 per cent more people in the United States than in 1950, this increase will be made up largely of youngsters five to nine years old rather than car buyers. There will be 40 per cent more five to nine year olds in 1960 than in 1950 and 54 per cent more youngsters in the ten to 14 year bracket. In the age group 25 to 29, where car-buying prospects are plentiful, there will be 12 per cent fewer persons in 1960 than in 1950. The middle and upper age groups, on the other hand, will be much more numerous. There will be 35 per cent more persons 70 and more and with their improving health and financial independence they can be counted on to get more mileage than ever before.

From a car maker's viewpoint, the age distribution

of the 1960 population will be less than ideal, but its impact will be offset to a large degree by the changing geographical distribution of American families. People are still moving to the western states where wide open spaces and an absence of streetcars combine with high incomes to make the automobile a must.

Today the western states are considerably above average in the ratio of population to automobile registrations. In California there is one car for every 2.5 persons and in Nevada the ratio is 2.4. Seventeen per cent of car owners in the West own more than one car.

Another population move that should warm the hearts of automobile dealers is the trek to the suburbs where dependence on the family car is magnified by the long trip to work and to the store and by the absence of alternative public transportation. The spread of metropolitan areas is occurring at an accelerated pace in all parts of the country. During the past five years there has been an actual loss of population close to urban centers but a rapid rate of growth in urban population eight to ten miles out from the centers and beyond.

The extent of the trend to the suburbs is indicated by where people were building in 1954. Of the nation's \$16,500,000,000 of construction that year, 49 per cent was in the outlying areas of metropolitan cities and 57 per cent of all new dwellings in the United States were in the suburbs. Many types of industry need space for one-story plants to accommodate machine operations. This has led to a dispersal of factories to outlying areas where land is cheap and plentiful, where traffic congestion is at a minimum

**AUTO INDUSTRY
SHOWS CONFIDENCE
IN FUTURE BY
PLANS TO GROW**

**FORD BUILDS NEW
CENTRAL STAFF
BUILDING
AT DEARBORN**



and where home-to-work transportation is almost exclusively by automobile.

In the cities, transportation has become largely dependent on the automobile. In most places with more than 250,000 population more than half of all persons entering and leaving the downtown area are moving by automobile. In Washington, D. C., the figure is 58 per cent and in San Francisco and Seattle nearly 65 per cent. In smaller urban places automobile use is much greater. For example, in cities with 50,000 to 100,000 population, 74 per cent of the people travel downtown by automobile and the figure for cities of less than 50,000 averages 82 per cent.

Like the people in suburbia, city dwellers apparently feel that life without a car is impossible.

Multiple-car owners will increase in numbers for many of the same reasons that boost the number of first car buyers. In some suburban areas one car cannot meet the family's demand for simultaneous travel in all directions. The shopping center assumes that the housewife will drive to market and the family breadwinner has generally immobilized one vehicle to get to work. Today eight or nine per cent of all car owners have two cars or more compared to only two

per cent in 1941. A recent study by one automobile company indicates that 13 per cent of car owners will be in this class by 1960.


Nearly one per cent of car owners now own three cars and one tenth of one per cent own more than three. Automobile advertising is already hinting that a family with only one car is virtually stranded. But the remedy is simple.

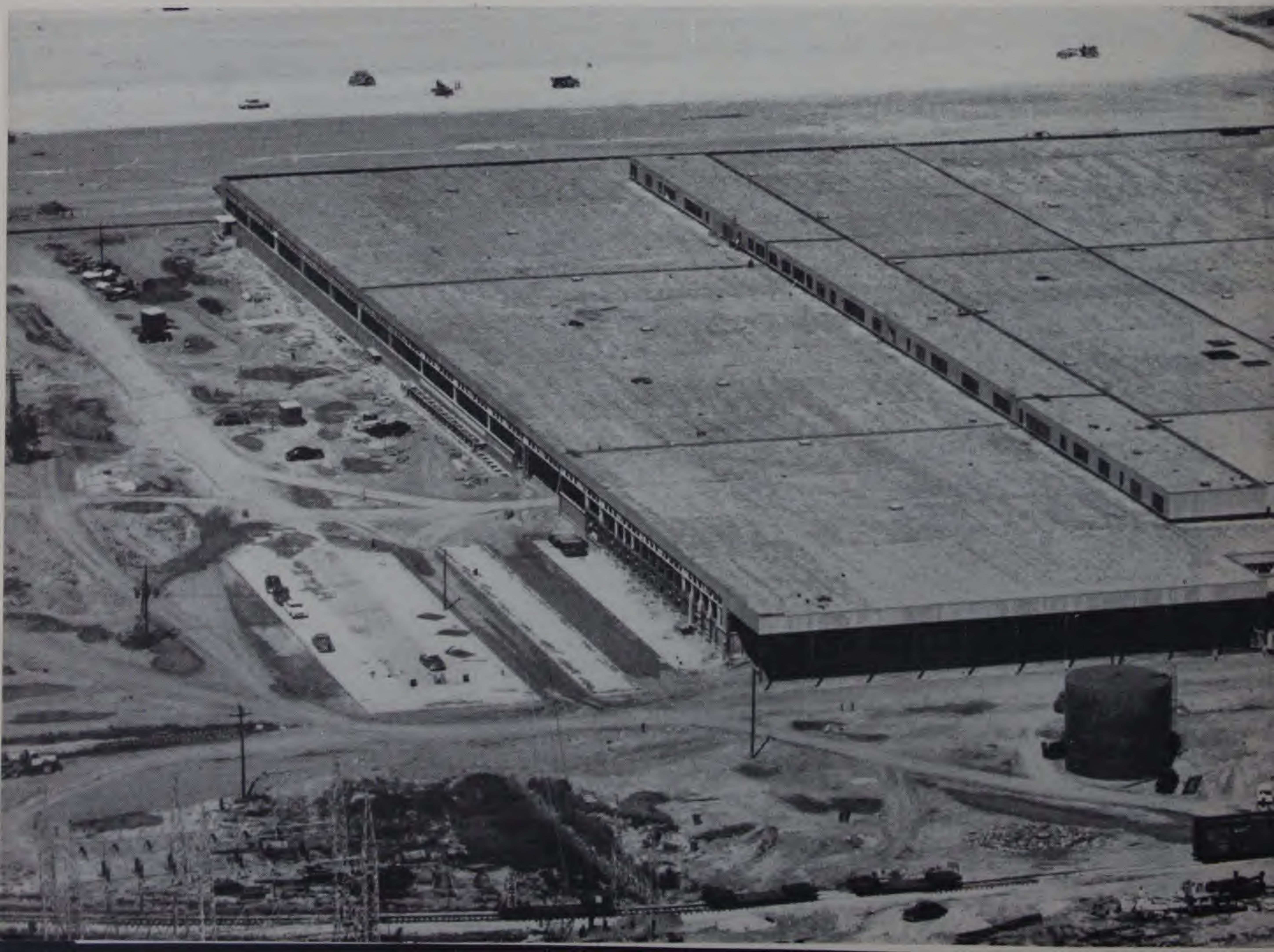
"You can now purchase two cars with one down payment," says a recent advertisement. And, "you can pay for both with only one monthly payment."

It is apparent, of course, that more people with more needs does not necessarily mean more customers. A bigger market depends on more people with more money. What are the prospects here?

High levels of economic activity have meant, first of all, a high level of employment that has created a demand for cars to get workers to the job. There are now 14,000,000 more people at work than in 1940, and 5,000,000 more will be added by 1960. Higher wages and regular pay checks have also made auto purchase possible. According to the Survey Research Center of the University of Michigan, during the past seven years the money income of the average U. S. family has increased 35 per cent. *(continued on page 90)*

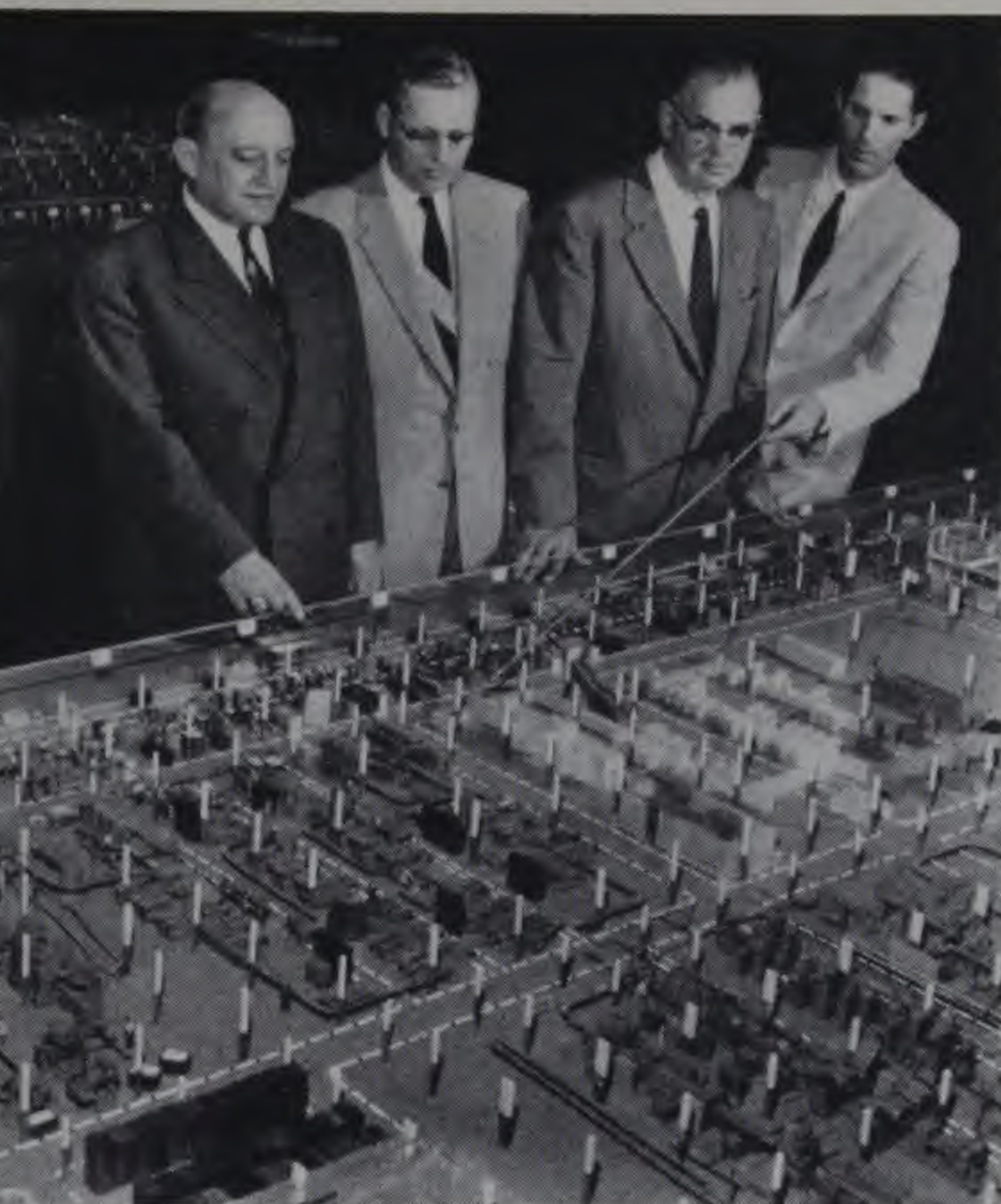
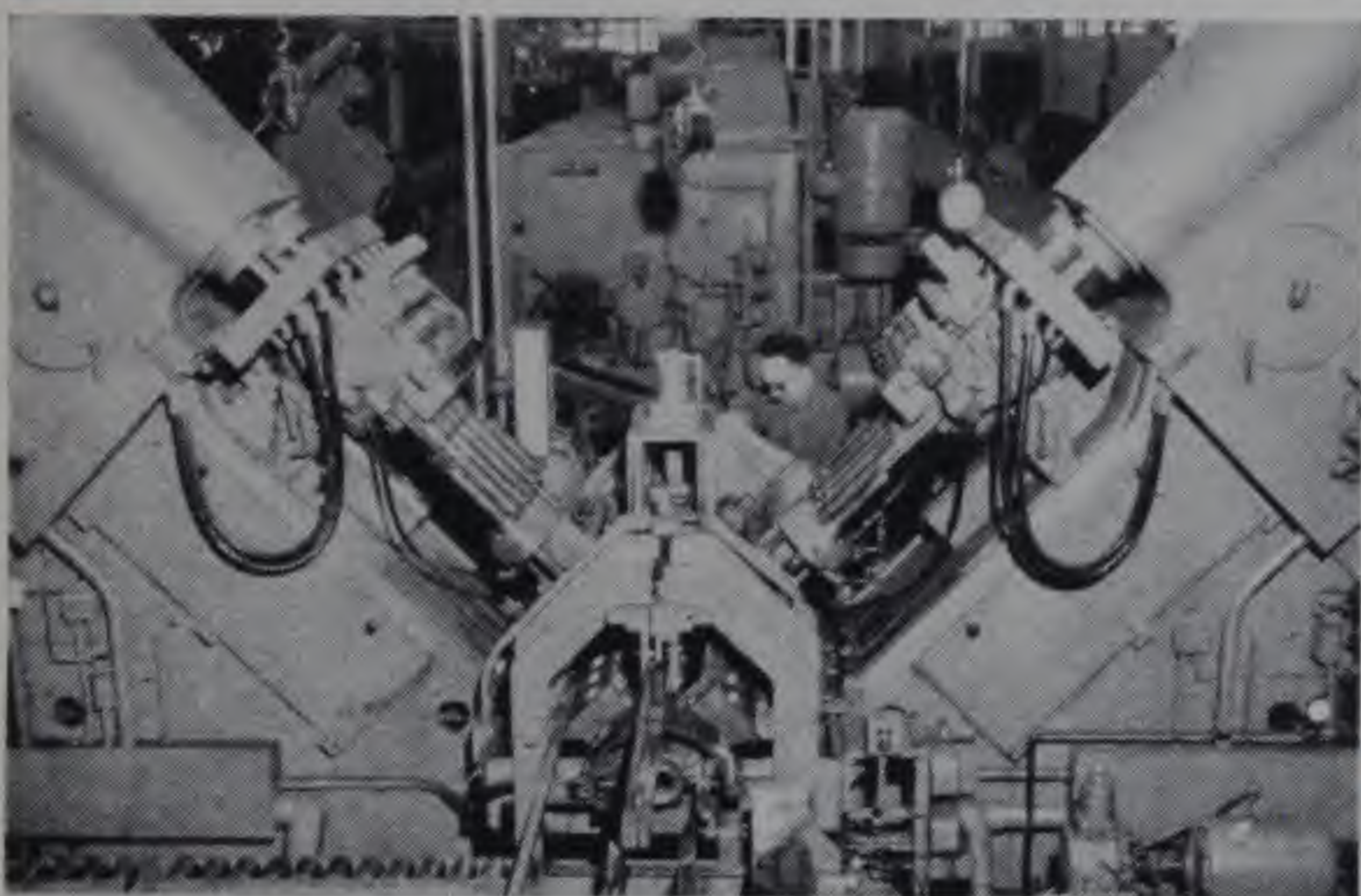
Production is expanding to meet demand that is expected to boost car registrations from today's 51,000,000 to 60,000,000 within five years. Because of the scrappage rate, the U. S. will have to produce 22,500,000 just to stay even. Increasing exports will help raise the annual production to 7,000,000

 **Kokomo, Ind.,** transmission plant is evidence of Chrysler Corporation's expectations for future



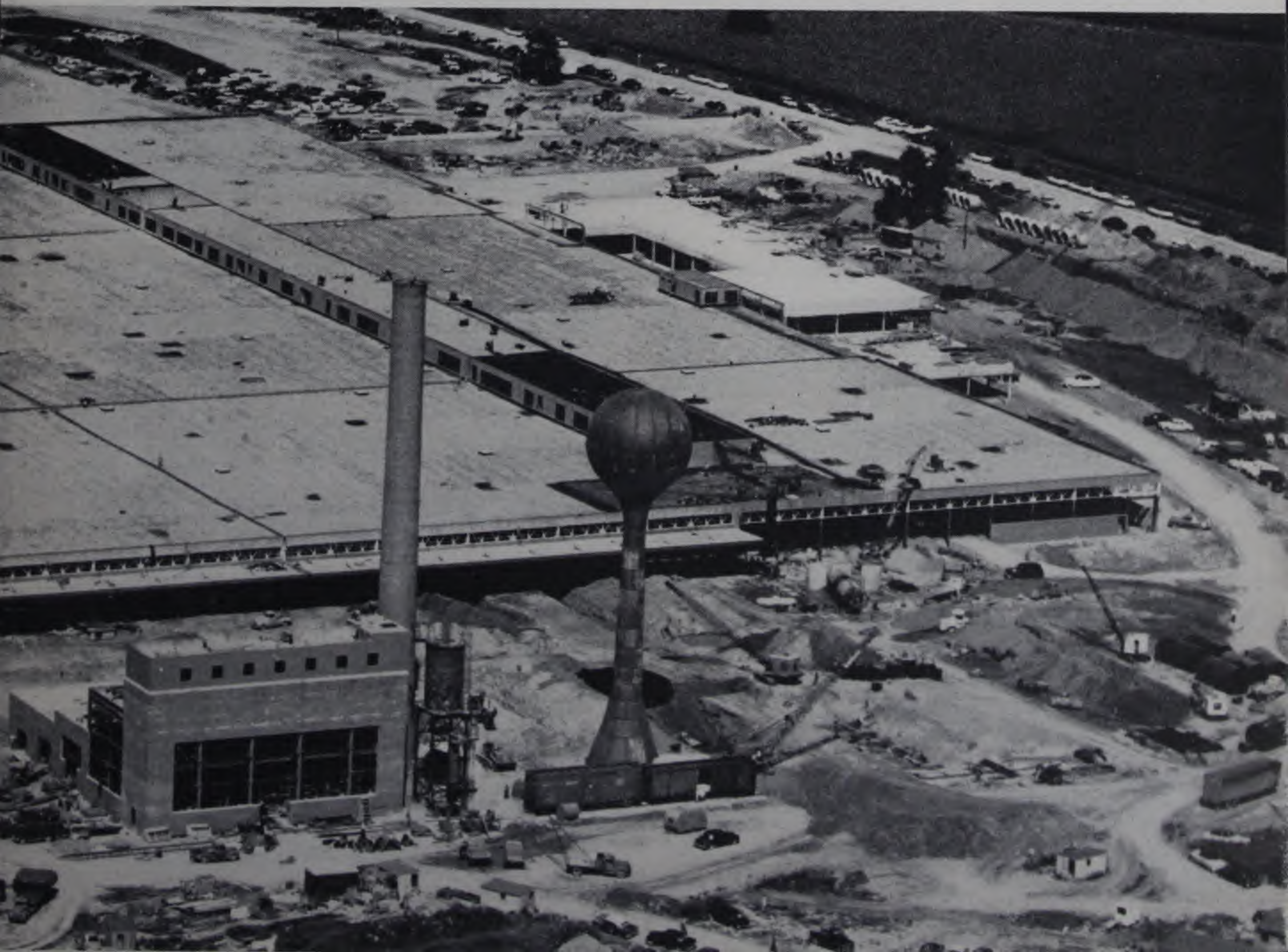


Kenosha, Wis., *Rambler assembly line is being built by American Motors Corp.*



Lansing, Mich., *Oldsmobile engine plant will get large share of expansion funds*

Utica, Mich., *Packard engine line which handles 50 blocks an hour, speeds production*



Fred Seaton— Ike's practical politician

President Eisenhower wanted Fred . . .



HASTINGS TRIBUNE

"back aboard the train"



HARRIS & EWING

THIS IS the story of a successful businessman who became a politician because he believes that the way to improve our government is not to drive out all the politicians, but to bring in better ones. His name is Fred A. Seaton and, although you seldom see him mentioned in the newspapers, he is one of the most important men in Washington.

Mr. Seaton is not ashamed to be called a politician, even though many people would consider this the least flattering of several titles to which he can properly lay claim. He can also be called a newspaper publisher, a broadcasting executive, a former senator, a former Assistant Secretary of Defense or—his current title—Deputy Assistant to the President of the United States in charge of Liaison with Executive Departments and Agencies.

This last formidable title suggests three things:

1. That Mr. Seaton is a member of Dwight D. Eisenhower's innermost circle of advisers.
2. That he is outranked on the White House staff by, and only by, Presidential Assistant Sherman Adams.
3. That he is the official channel of communication between Mr. Eisenhower and the units of the vast federal bureaucracy.

All these deductions are correct. Yet they give only a partial picture of Mr. Seaton's role in the White House. Perhaps his greatest contribution to the Eisenhower team has been to apply the skilled touch of an experienced, practical politician to some of the problems, such as patronage, that have plagued the Republican Administration.

Mr. Seaton is no magician, and he has found no way to provide a job for every deserving GOP office-seeker in an Administration that is bent on shrinking the federal payroll. But he has already removed much of the heat from the once-inflamed patronage issue because, in the words of one Republican senator, "Fred can say 'no' in such a nice way."

He can also say "yes" and "maybe" in a nice way. In fact, he is one of the most friendly, tactful and generally charming men you are likely to meet. It is practically impossible to talk to Mr. Seaton without feeling that he understands your point of view and respects your right to it, even if he disagrees with you.

If he does disagree with you, he usually will tell you. This candor, which also extends to admitting mistakes, is a refreshing quality in Washington. It is one of the reasons why reporters and political professionals, two groups that are hard to impress, like Mr. Seaton.

Mr. Seaton's talent for getting along with people



Now his White House job . . .



trouble shooting . . . patronage . . .



liaison . . . makes him one of
Washington's most important men

is partly, of course, the conscious art of a man who has been long in public life. But it goes deeper than that. He sincerely sympathizes with the other fellow's problems, even if the other fellow is a Democrat.

Once, while he was Assistant Secretary of Defense, a Democratic senator called him with a plea for help in straightening out a certain military matter that threatened to hurt the senator badly in his home state. Mr. Seaton looked into it and found that there was no reason—other than the obvious political one—why the Defense Department should leave the harassed Democrat over a barrel. He agreed to take care of the senator and went to a great deal of personal trouble to make good.

This bit of bread upon the political waters returned to Mr. Seaton in the last session of Congress. One of the Administration's must bills was in serious trouble in a Senate committee, and the White House staff was called together to see what could be done about it. Mr. Seaton learned at this meeting that the key vote in the committee was held by the Democrat whom he had befriended two years before. He volunteered to talk with the senator. A short while later the bill was approved.

Pushing the Administration's legislative program is not, in theory, one of Mr. Seaton's duties. According

to the White House organizational chart, this work is done by the congressional liaison staff, headed by Maj. Gen. Wilton B. Persons, who ranks with Mr. Seaton as a Deputy Assistant to the President. Actually, it is impossible to compartmentalize White House functions that tightly. Every member of the staff doubles in brass. Mr. Seaton, above all, is drawn daily into the task of maintaining harmonious relations with Congress since he is the appointed White House contact man for lawmakers who have a bone to pick with one of the federal agencies.

For example, his callers on one recent afternoon included a delegation of Republican and Democratic congressmen from a midwestern state. They were seething with bipartisan indignation because the Veterans Administration was preparing to shut down some of its facilities in their state. Mr. Seaton did not give them a lecture on the necessity for government economy. Nor did he promise that the facilities would be kept open. He simply assured them that he would give the matter his personal attention, and make sure that the VA was not discriminating against their state or its veterans.

The congressmen went away, if not completely happy, at least satisfied that they had received a sympathetic hearing.

(Continued on page 92)

UNITED WORLD:

50 nations assault science frontier

Weather disturbances . . . earthquakes . . . radio interference . . . water shortages . . . air pollution: Scientists, during 18-month world-wide study starting in 1957, hope to find solutions to these, and other global problems

THE ANNOUNCEMENT recently that the United States would launch a man-made satellite into space took the world by storm. There was a sense of the birth of a new era. Huge space stations, old standbys of science fiction, suddenly seemed near to reality. Russia promptly certified the importance of the announcement by proclaiming that she would launch a larger satellite sooner.

But to a world-wide group of scientists the satellite project is just one part of a gigantic undertaking—the International Geophysical Year—which promises unprecedented advances along many frontiers of scientific knowledge.

IGY will actually be 18 months long—the last half of 1957 and all of 1958. During that period, scientists from some 40 to 50 nations will make a concerted world-wide assault on the mysteries of geophysics—the science of the earth and of the factors that affect man's environment. They will investigate and study, as never before, the surface and the core of the earth, the oceans and their depths, and the atmosphere and beyond. Their purpose: to close gaps which find the all-important science of geophysics still in the horse-and-buggy stage compared to the laboratory sciences.

The IGY scientists predict that the next few years will see progress in geophysics like the progress in nuclear physics just before and during World War II. The information obtained will undoubtedly influence the long-range economic and social development of the world and will leave man better prepared to cope with and perhaps avert natural disasters.

The experts look for revelations on such important mysteries as the irregularities in the rate at which the earth rotates and the true positions of the continents. They also expect IGY to lead to better weather forecasting, surer radio communications, and safer and easier ship and plane navigation, faster high-altitude flying, and better ways to combat industrial air pollution. They hope to develop the answers to such vital questions as the origin and course of storms, the rate at which the earth is warming, whether earthquakes can be predicted more accurately, and how water shortages can be combated.

Information on all these subjects is now inadequate, and mostly for one reason: Geophysical problems cannot be studied in the laboratory. They must be studied where they exist, in the world itself. And since most geophysical problems are world-wide, they must be studied on a global basis.

As Dr. Alan T. Waterman, director of the National

Science Foundation, the official government agency sponsoring IGY in this country, points out, "storms forming off the East Coast of Asia may cause a cold wave over the United States a week later, which may, in turn, create a new storm in the mid-Atlantic and subsequent floods and snow avalanches in Europe. Solar flares create magnetic disturbances and may cause failure of all radio communications over an appreciable region of the earth."


Each individual country not only lacks financial and technical resources to make world-wide studies of geophysical subjects, but, even more important, each obviously lacks access to the territories of other countries in which to establish necessary observation posts. Herein lies the uniqueness and value of IGY. For the first time in history, scientific observations will be made on an earth-wide basis continually for a long period, according to a uniform technique and a carefully coordinated plan.

Thousands of scientists and technicians will take part, and the cost will be upward of \$200,000,000 for all participating countries. The number of cooperating weather stations alone is estimated at 1,000, and many more posts will be set up to make other observations. The secrets of the land, sea and air will be sought out by dozens of types of instruments, ranging from cameras and telescopes to the new satellites and the latest in rockets, from seismographs and spectrographs to radar and multifrequency auroral noise receivers. There'll be air reconnaissance, deep-sea soundings, glacier studies, high-altitude balloons, and other devices for measuring man's environment.

But at least as interesting and encouraging to the layman is the fact that this is a venture in which both the United States and the Soviet Union will be taking enthusiastic part. And the information obtained during IGY will be made freely available to all nations.

The great expectations for IGY have an historical basis. Back in 1882-83, an International Polar Year, a far smaller version of the current project, produced information which eventually helped Marconi develop the transatlantic telegraph. A Second Polar Year in 1932-33, again extremely limited by present standards, produced radio data worth many millions of dollars.

Both these early adventures in international geophysical cooperation were confined to the regions of the North Pole. IGY will be world-wide, criss-crossing the earth from pole to pole. Many of its activities will center around Antarctica.



Observation stations will be set up in both polar regions and will stretch from pole to pole along meridians ten degrees east, 75 west, and 140 east

Stations will provide vital data on movements of air masses around the world at both high and low altitudes and on the occurrence and the movements of solar and atmospheric disturbances

Advance work on IGY is well along. International scientific groups have held many meetings to decide the data to be obtained, the methods for obtaining it, the location of observation stations. Contracts have been let for many of the most complicated pieces of scientific equipment. Several countries have already taken preliminary steps toward setting up new bases in the Antarctic for the observation period. For example, the U.S.S. Atka sailed to the Antarctic last December on an exploratory voyage. Another U. S. mission will set out soon to install one station and carry supplies and equipment for two others.

Plans for IGY have been made by a special committee set up by international groups working in various scientific fields. Each country will carry out its own program of observations, but that program will be part of the carefully mapped out world-wide assault.

The American program, centering in the Western Hemisphere but including some work in the Pacific Islands, is being carried out by the U. S. National Committee for the International Geophysical Year, a group of top-flight American scientists in meteorology, glaciology, seismology, geomagnetism, ionospheric physics and other geophysical fields. The committee was selected and sponsored by the National Academy of Sciences, a private organization which has long advised the government on scientific matters. In most cases, the actual operation of the observation posts and other research and exploratory work will be done by government agencies, educational institutions and oth-

er qualified organizations working with the U. S. Committee for IGY.

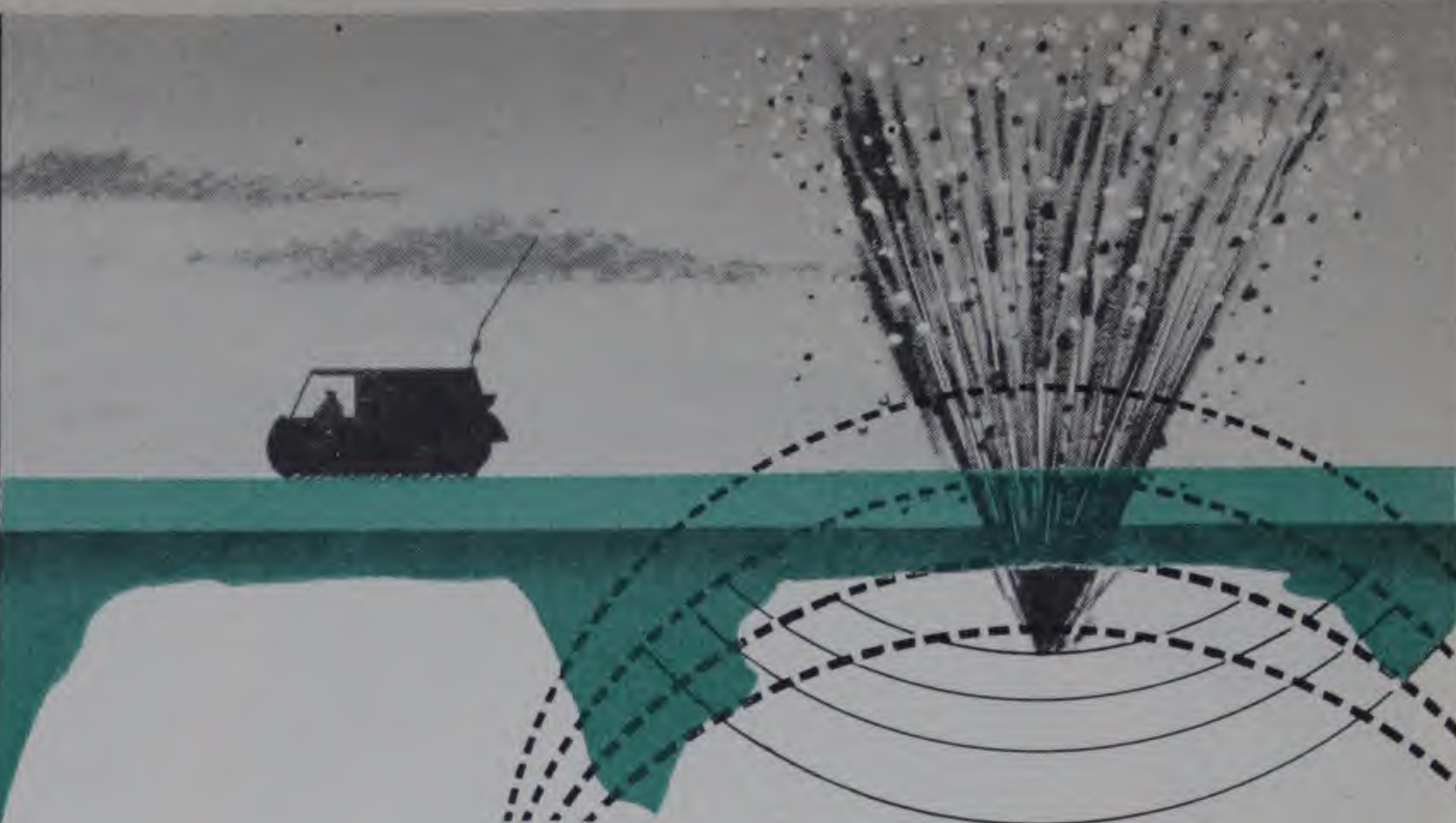
Congress has already voted \$12,000,000 for the National Science Foundation to help pay the U. S. share of the program, and the decision to proceed with the satellite will obviously increase the cost of the American part. In addition, many other federal agencies, a large number of universities and private groups are contributing manpower and facilities. A list of items already ordered for the American activities includes 14 radar-type recorders at \$30,000 each; 36 aerobee rockets at \$25,000 each; and a \$20,000 rocket-launching facility. The collection, analysis and publication of data gathered by U. S. scientists will alone cost more than \$500,000.

Lest anyone conclude that the United States is carrying more than its share of IGY's cost, American backers of the project point out that the Russians, who got in late but are now deeply interested, are planning about the same size program as ours. Moreover, they say, a comparison of financing figures shows that the U. S. government is contributing about eight cents per person while Australia, for example, has budgeted the equivalent of 14 cents per person, France nine cents and Holland about 61 cents.

Recognizing the impossibility of completely blanketing the earth with observation stations, the IGY planners have decided to establish networks of stations at strategic spots. For example, clusters of observation



20 stations at South Pole will aid long-range weather forecasts



Fascinating questions about Antarctica will be answered. Example: Is it one large continent or a series of islands linked together by huge masses of ice? Scientists will find out by touring the region—which covers one sixth of the earth's surface—in special snow-and-ice vehicles and setting off dynamite blasts at regular intervals. Delicate instruments will catch blast echoes and reveal what lies beneath the surface. South polar regions play a vital role in forming weather all over the world

Earth-wide studies will show pattern of weather over U. S. and Europe

"Storms forming off the east coast of Asia may cause a cold wave over the United States a week later," says Dr. Alan T. Waterman, director of the National Science Foundation. "This, in turn, may create a new storm in mid-Atlantic and floods and snow avalanches in Europe."

Each country lacks financial and technical resources to make world-wide geophysical studies. Even more important, each also lacks access to the territories of other countries to establish observation posts



posts will be in the Arctic and Antarctic areas and along the Equator. Stations will also be closely bunched on three pole-to-pole lines—along the meridians 10 degrees east, 75 degrees west and 140 degrees east. These three lines of stations will provide vital data on the movements of air masses around the world at both high and low altitudes and on the occurrence and movement of solar and atmospheric disturbances.

This network of stations will be supplemented by other strategically located stations on land and sea. In addition, expeditions will set out by truck, plane, ship or even sled to take special measurements. Plane and ship pilots and other trained private observers will be asked to report the observance of unusual atmospheric conditions.

Despite the world-wide nature of IGY, there is special interest in the 20 observation stations planned for Antarctica. Never before have there been more than two or three stations at any one time in this huge region, which covers one sixth of the earth's surface but which is less known than the surface of the moon. Now the United States will have five stations there; Great Britain, France, Australia, Russia and Argentina will have two or more each; and several other countries will have one.

The Antarctic stations, it is expected, will provide the answers to some especially fascinating questions. For example, the scientists think they'll learn conclusively whether Antarctica is a large continent or only a series of islands linked together by huge masses of ice. They'll learn this by touring the region in weasels, special snow-and-ice vehicles, and setting off dynamite blasts at regular intervals. Delicate instruments will catch the echoes of those blasts, and the time elapsing between the blast and the echo will reveal what lies beneath the surface ice.

The importance of this information stems from the fact that the earth is getting warmer, IGY scientists say. As it warms, glacial ice melts, and the seas rise.

If Antarctica is a mass of ice, rather than land, its melting could raise the levels of the world's seas and oceans by 90 or 100 feet, the scientists say. Even a partial melting could permanently flood many important coastal cities and areas in the U. S. and other countries.

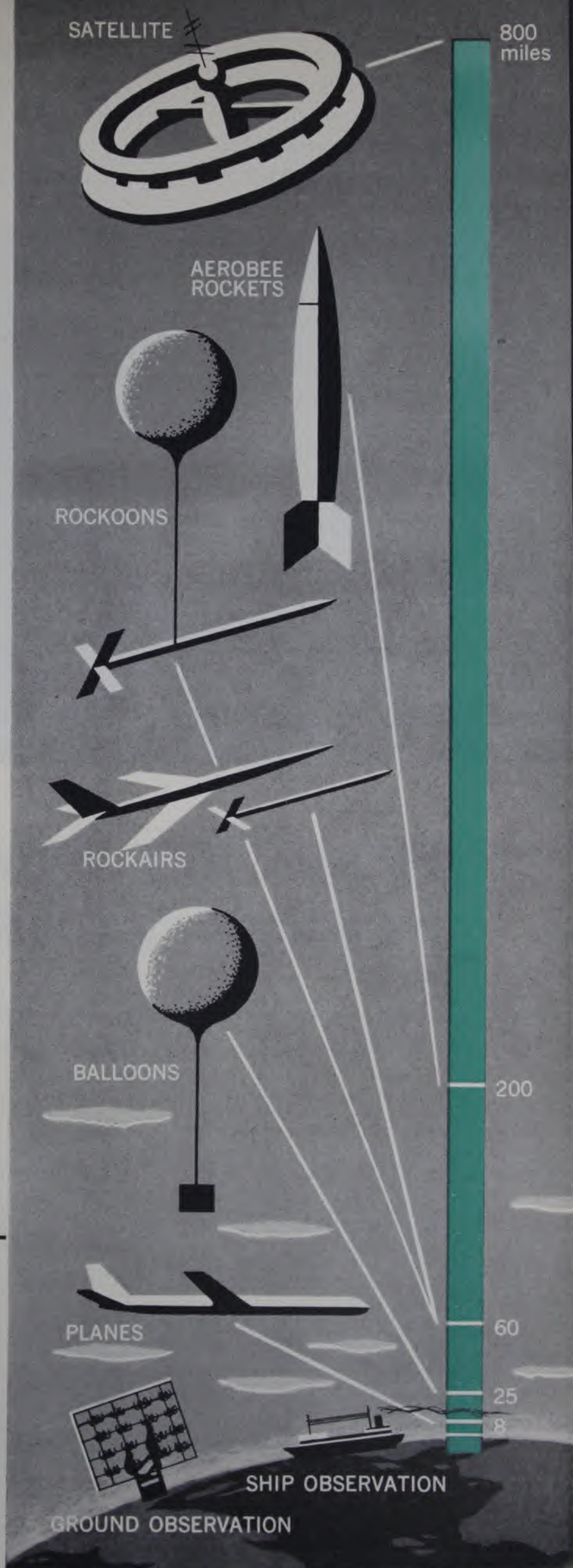
The experts stress that this is not a problem for some far-off future time. If the world continues to warm at its present rate, they believe, the rising seas could become a serious problem within a generation. The Antarctic observations will show just how much of a problem this may be, and how soon.

Meteorologists are convinced that the south polar region plays a vital role in forming weather for the rest of the world. Dr. I. V. Berkner, vice president of the International Committee for IGY and a leading U. S. authority on Antarctica, explains that there is an important cold air mass constantly lying over the region.

"You can imagine it," he says, "like a mass of jelly which is shivering around. Then a big chunk breaks off. We suspect that the chunk sweeps up right across the equatorial region"

(Continued on page 100)

Exploration of the upper air will be carried out by thousands of devices carrying equipment to send back data by radio—such as detection and measurement of solar radiations, direct measurement of chemical and ion composition of the upper atmosphere, and measurement of the earth's magnetic field. U. S. will send up at least one satellite and so will Russia



Long-range planning helps transfer attention from the immediately urgent to the ultimately important. That's goal of President Percy

These economic indicators are watched continuously: employment, business failures, market quotations, prices, new corporations, new durable goods orders, construction



HOW TO PLAN PROFITS FIVE YEARS AHEAD

Bell & Howell explains how new management set-up increased sales, net earnings, working capital and doubled quarterly dividend

STRATEGIC planning for profits has enabled the Bell & Howell Company, makers of photographic equipment and related products, to lift sales from \$13,000,000 in 1949 to \$40,000,000 in 1954.

To some businessmen this admirable concept is confined to our industrial giants which alone can command the human and material resources for fixing long-range goals.

In essentials, however, it can be applied to any firm, irrespective of size. It is basically a process for taking out enough time to think creatively and consistently about the future of a business. Almost every executive concedes that this should be his major function. He would like to perform it more often and effectively than he usually does—if only he could transfer attention from the immediately urgent to the ultimately

important. Whenever he achieves this shift in emphasis he has taken a first step toward strategic planning which is less a formula than a state of mind.

►It means looking at a business to appraise where it was yesterday, where it is today, where it should be going tomorrow and for a long time thereafter.

►It means asking the right questions about these fundamentals within the perspective of a firm's own record of advances and setbacks.

►It means getting answers that form the basis for setting a long-term objective, and then organizing everybody and everything to move toward it in a series of tactical steps each related to the other.

►It means the effort to reduce to a minimum the conduct of business by hunch, rote, rule of thumb.

Such aims can at best be only approximated. Un-

Separate cautionary subplan is worked out as insurance against miscalculations. Executives ask themselves what the company would do if sales should fall off 15 per cent. They plan a series of broad alternatives that, in each case, can be refined to revive languishing profits

PHOTOS BY ARCHIE LIEBERMAN—BLACK STAR



predictables always intrude to upset design, either in part or as a whole.

For this reason Bell & Howell, in its own five year plan for profits, never seeks to draw up a static document that could be stamped final and approved. Flexibility is a must. Every step is put down on big layout sheets and continuously revised in the light of new developments in research, consumer preference, competitive price, defense spending and other incalculables.

In the initial phase of its 60 month agenda, for example, Bell & Howell may assume that there will be no major changes in the economy over the entire period and that minor variations can be readily met. This premise is then confirmed or modified when checked against eight economic indicators: average hours of employment per week, business failures, stock market quotations for 30 key industrials, commodity prices, new business incorporations, new durable goods orders, authorized residential and non-residential building construction.

The consumer debt pattern that emerges from these and other sources is of special concern to Bell & Howell. Because of a psychological quirk, the American consumer will apparently purchase on instalments anything except cameras, projectors, other photographic equipment. The company believes that when and if it can uncover the causes for this behavior, it can appreciably increase sales.

Neither its own list of economic indicators nor other signs and portents of U. S. business direction are accepted as more than guide lines.

"They are valuable, but not a law," affirms William Roberts, executive vice president. "They focus on general conditions. We focus on a specific condition—the profit position and potential of our company. We take nobody's view of the economy—or of our industry—as the last word. Sometimes when we make a decision on a new product, we run contrary to the whole consensus of economic forecasts. We have to be better economists for our own business than anyone else."

In seeking to be better economists, Bell & Howell supplements its basic projection by a separate cautionary subplan as insurance against miscalculations of company prospects. It asks itself, for example, what it should do if sales volume for the whole line or particular items should fall off ten or even 15 per cent. It then comes up with a series of broad alternatives that, in each case, can be refined to revive languishing profits.

To establish its income goal for a five year span, it compares its past with its present rate of earnings on sales, investment, inventory turnover. At the same time, it re-examines its standing in every sphere in which it competes, from home movie to aerial cameras; from a 16 mm. lens for the cinema's wide screen to microfilm for department store cycle billing; from slide and sound projectors of virtually every type to its latest entry, a high-fidelity radio, phonograph and tape recorder combination.

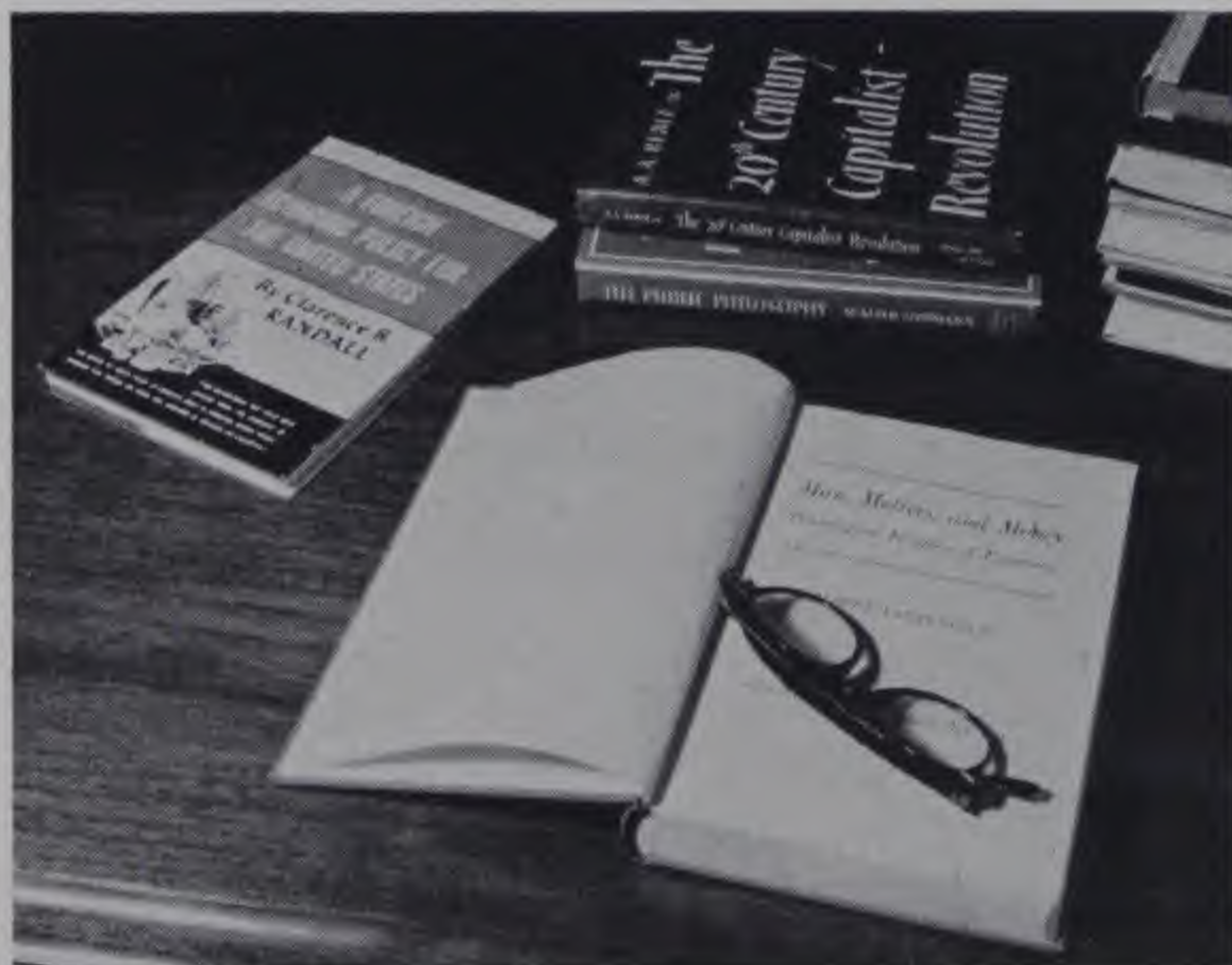
It then prepares a sales forecast for every product on a monthly basis for the next 15 months and on an annual basis for the remaining period of nearly four years. Indispensable to this venture are some manager-

Each vice president is like a president because he operates his department just as he would run his own company. Within the scope of the over-all objective, each is on his own in dealing with problems. From left: C. G. Schreyer, merchandising, F. P. Bennett, engineering, A. M. Adams, purchasing, M. G. Townsley, research



Executives are encouraged to read

(on their own time) and you can tell the upper from the middle and lower executive strata by what they read



ial practices which Bell & Howell has either originated or streamlined. Taken together, they comprise something more than a primer of strategic planning. They not only illustrate specific measures required to use this new tool of business successfully, they explain why Bell & Howell, to overcome internal problems, developed its own version of strategic planning.

Whether in formulating the 60 month program or carrying it out, everybody in management reads incessantly—and not merely intercompany paper work. They read business publications, government reports, bank letters. They read books on investment policy, human relations, international affairs. You can spot the upper from the middle and lower executive strata by the character of this outside reading. An assistant department head, for example, may still be graduating from the stage of "how to" manuals. But the president, Charles H. Percy, the most omnivorous reader of all, will be devouring such volumes as Clarence B. Randall's "A Foreign Economic Policy for the United States," Walter Lippman's "The Public Philosophy," A. A. Berle's "The 20th Century Capitalist Revolution," John M. Clark's "Social Control of Business," and Howard Bowen's "Social Responsibilities of the Businessman."

Members of top management in particular are among the most avid readers in U. S. industry. They believe that social, economic and political trends at home and abroad have to be incorporated into their decision making to an ever increasing extent.

One reason they are able to keep up with the world is that they make a fetish of being good users of time, an intent furthered by an almost 100 per cent delegation of authority. This system marks a complete reversal of policy prevailing up to 1949 when Mr. Percy, at the age of 29, succeeded the late Joseph H. McNabb as company head.

Mr. McNabb symbolized an era all but ended in U. S. management. He would rarely manufacture anything until he had an order for it. He also ran a one-

man show. He did, however, make a major concession to more advanced business thinking: Early in the 1930's he inaugurated a training program to develop executive leadership from employe ranks. He insisted that all candidates for promotion had to be thoroughly familiar with factory floor operations.

This requirement still holds for all managerial aspirants no matter what degrees they may have in engineering, liberal arts, business administration, law. Nearly all of today's chief executives have come up just that way, including Mr. Percy and Mr. Roberts.

When they took over, seven years ago, they first intensively reviewed the company's history. Founded in 1907, it had for 15 years concentrated on turning out equipment (cameras, printers, perforators) for the motion picture industry.

In 1921, Bell & Howell officers met with George Eastman to discourage a habit harmful to both the public and the industry. Amateur photographers were often splitting the 35 mm. professional film into two equal strips to fit the amateur equipment that was then in vogue.

But the professional film, with its nitrate base, was both inflammable and explosive. Bell & Howell and Mr. Eastman agreed that they should take the lead in getting everyone to adopt a 16 mm. film, with a safe acetate base, for amateur use—a width which ever since has been standard in the U. S. and in other parts of the world.

In 1922 it pioneered the first portable movie camera for the amateur.

During World War II it had vastly expanded facilities to produce combat and reconnaissance cameras,

sniperscopes, radar devices, other optical and electronic instruments.

In the postwar boom its sales were flourishing. But they were badly balanced; 85 per cent were for the luxury field (mainly expensive cameras for the photographic enthusiast) and 15 per cent for the workaday world. The 1949 downswing spotlighted a tendency previously visible: Sales in the luxury line went up twice as fast in good times, but came down twice as fast in any decline, an occurrence that did little to foster steady production or stable employment.

Management decided that, if Bell & Howell were to go ahead, the company must vary its product mix and aim at least at a 50-50 ratio as between luxury and non-luxury output. It could not wait for customer demand to appear. It had to build that demand and systematically create new markets by discerning and meeting new consumer wants.

It had to diversify by introducing new wares that mark either a revolutionary advance or a major improvement, but in fields about which the company already knew something.

Concurrently, to cope with diversification, it had to transform solitary rule into group management—no new theme but on it Mr. Percy composed some original variations.

He had observed that the various divisions—design, engineering, manufacturing, sales—tended to exist in compartments virtually sealed off from each other except for routine coordination. There was no medium for the regular exchange of ideas before a product was processed for the market.

To break down the

(Continued on page 72)

"We have licked the time-lag," says one vice president.

"All departments take part in design and development from start to finish. This holds costs down, helps avoid headaches. Sales projections are surprisingly accurate.

We can stop putting out fires—and think"



HOW'S BUSINESS? today's

An authoritative report by the staff of The Chamber of Commerce of the United States

AGRICULTURE

One of the most important measures of farm business conditions is the annual "Balance Sheet of Agriculture." Recently published estimates of the U. S. Department of Agriculture for 1955 (Jan. 1) show an increase over a year earlier in total assets of \$2,300,000,000 compared with an increase of \$1,000,000,000 in liabilities. The resulting \$1,300,000,000 increase in equities, however, is more than accounted for by the reported rise in the value of farm real estate, a questionable equity unless actually sold.

A more realistic measure of conditions is the relation between liquid assets and direct debt obligations. Total liquid assets (cash deposits and bonds) remained the same as a year earlier, which would seem to suggest that the price-cost squeeze has not, as yet at least, impaired the farmers' financial assets.

The other area in which the squeeze might be expected to show up in the over-all picture of agriculture is in debts. Farmers' direct debt obligations (excluding loans by CCC) rose during 1954 by \$800,000,000 (equal to one half per cent of the value of total assets).

Taken as a whole, agriculture continues in a solvent position.

CONSTRUCTION

The next ten years should be a banner period for business construction. The country's capital needs require an expenditure much greater than in any such previous period.

The needs are stimulated by growth of population, insatiable human desires, and the increase in the cost of labor.

In ten years the growth in population—if the standard of living advances as it has in the past—will produce a market that could absorb a

volume of goods and services as much as 40 to 50 per cent greater than is produced today. Yet, the expected labor force that would have to supply this demand will be only about 14 per cent greater than we have at work now.

To get 40-50 per cent more production with less than 15 per cent more workers obviously means a tremendous growth in private capital investment.

CREDIT & FINANCE

The shortage of lendable funds is likely to reach its peak within the next three months. After that, demands are likely to taper off and, more important, the U. S. Government will be out of the bond market for new money issues.

The Federal Reserve system continues toward tight credit in its restrained program, hoping to stretch out the current business boom by discouraging speculative types of loans, at the same time expecting that certain capital programs may be put off for a short period.

This is reflected in action of the Federal Reserve Banks which have raised their rediscount rates from $1\frac{3}{4}$ to $2\frac{1}{4}$ per cent. Light braking of savings and even credit by the Home Loan Bank Board follows the same pattern.

Business loans for the mid-year period have moved up some \$439,000,000. This contrasts with a decline of \$1,100,000,000 in the same period in previous years. Since this is only the start of the seasonal expansion in bank loans, it is likely that an all-time record in demands for credit will be set by December.

DISTRIBUTION

The summer slump was less than usual this year. Businessmen are optimistic about the fall. Christmas

trade is sure to set a new all-time high. Record levels of employment and increasing disposable personal income assure record-breaking sales for the full year.

Retail sales reached an all-time high in July. Department store sales have reflected back-to-school business. Sales for the week ending Aug. 27 were nine per cent above the corresponding week a year ago. An increase of from five to ten per cent in sales of housewares by department stores is predicted for this fall.

Wholesale sales in July were below June, but still topped July of last year. However, durable goods wholesale sales during July were two per cent higher than in June on a seasonally adjusted basis, whereas sales by nondurable goods wholesalers in July were down about two per cent. Inventories rose about \$100,000,000 in July over June.

Instalment credit is still growing. Auto debt accounts for more than half the total. Repayments are also high. Instalment debt, however, is short term, still averaging less than one year for full pay out.

FOREIGN TRADE

Return to convertible currencies, that is, freedom to exchange one country's money for that of another, has moved further into the future.

Convertibility has been expected to hinge on the British pound sterling and the recent deterioration of British dollar and gold reserves has dashed hopes for early action.

Inflationary pressures have been rising in Western Europe and particularly in the United Kingdom. Increased wages, high domestic demand, have kept British imports high while exports have not increased correspondingly.

Measures to restrict British home demand have only been partially successful and firmer action is anticipated.

The high economic activity in the rest of Europe is continuing but labor shortages in some countries, demands for wage increases often not justified by rising productivity, and fear of inflation are fading the bloom on the boom.

GOVERNMENT SPENDING

The favorable budget outlook for

outlook

1956 is causing budget planners to sharpen their pencils in anticipation of 1957. The semifinal budget figures for 1956, released Aug. 25, showed a margin of only three per cent between income and outgo.

A continuation of the business up-trend could make revenues even better than now anticipated. An increase of only three per cent in receipts would balance the budget.

All this means that the administration obviously will offer some sort of balanced budget plan when it sends the 1957 budget to Congress next January.

It's not going to be clear sailing, however. There is heavy pressure for increased spending, particularly for activities in which the federal government gives the states financial help—for example, highways. Demand for new aids for school building construction is also increasing; spending for various current functions may go up.

The big savings so far have come in military spending, but despite the aura of peace coming from Geneva, the Cold War is still on. As long as it continues, further big reduction of military costs doesn't seem too likely.

LABOR

A pending presidential appointment will have a serious bearing upon the future of labor relations. The appointment will fill the fifth post on the National Labor Relations Board—a chair that will likely hold a balance of power in many Board decisions. The departure of former Board Chairman Guy Farmer will mean a period of indecision in determining government policy in important labor matters.

The NLRB has been too often a political football. As a result a party seldom can be certain of his rights and obligations, because interpretation of the law varies with the philosophies of the Board members.

A number of Washington labor experts feel that the President has delayed naming a replacement until he finds a suitable candidate with judicial experience. If a candidate is named before January he will be in office without Senate confirmation with no assurance of a permanent appointment. This may make it difficult to obtain a qualified person.



PICKING UP A TRAIN MESSAGE—RICHARD STEINHEIMER

NATURAL RESOURCES

Large areas of the Northeast have just suffered the worst floods in their history. While relief is properly the first order of business, action to prevent recurrences there and elsewhere is the second and larger order.

Now is the time to consider some of the ways to prevent flooding and reduce damage:

Collect more basic data on weather, rivers, land use; extend the flood-warning system; build more local projects without federal assistance; clear and enlarge stream channels; zone high-risk areas against high-cost facilities; develop better community planning for rescue and rehabilitation; determine a sound flood-control policy consistent with other objectives.

Flood-control projects which operate successfully represent money well spent. Hundreds more should be built rapidly. But a sound approach to floods must be broader than flood protection alone. A community approach might well originate in the local chamber of commerce or some service club.

Already scheduled are two important conferences to help businessmen and community leaders learn what their own communities can do. The Second National Watershed Congress will meet in Washington Dec. 5 and 6. A national water policy conference at St. Louis Jan. 24 and 25 will be sponsored by the National Chamber.

TAXATION

The floods in the New England area have pointed up again a continuing weakness in our federal tax system.

The program of withholding and prepayment of tax for both individuals and corporations makes no provision for rapid or flexible adjust-

ment of taxes already paid. While re-estimates may be made quarterly, demonstrable overpayments can only be refunded after the taxable year has ended, and withholding continues throughout the year even though it is obvious the total amount withheld will far exceed the final tax liability.

In emergency situations this works a real hardship on those trying to help themselves after the disaster. Since the Internal Revenue Service says that only legislation will cure this fault, several suggestions have already been made and more will be forthcoming in the 1956 congressional session.

TRANSPORTATION

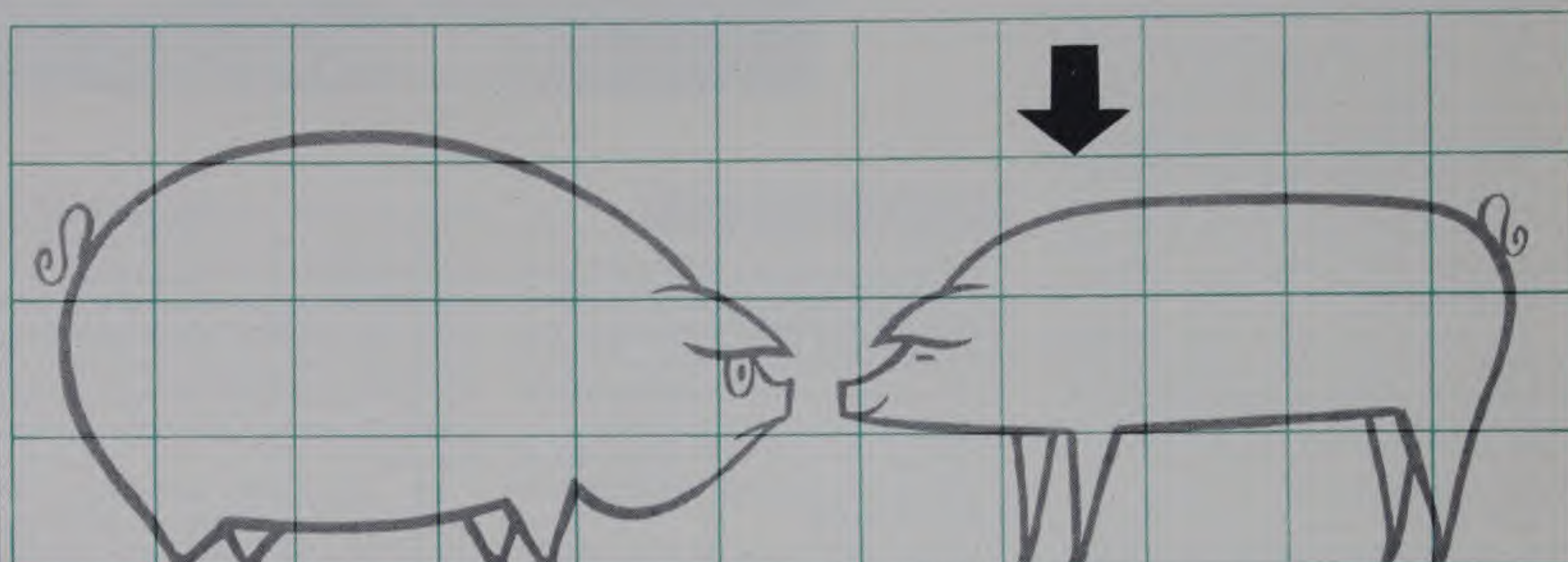
Improved airports are a certainty as the new federal airport construction act goes into effect. It provides \$63,000,000 in federal aid for each of the next four fiscal years. The Civil Aeronautics Administration will supervise the program.

Small airports will share in the funds. This should be a boon to the growing local service airlines and to businessmen now flying company planes to the smaller communities.

The Department of Commerce estimates \$160,000,000 is available in local units for matching funds. So far allocations totaling \$20,000,000 have been made to 199 cities for fiscal 1956. The remaining amount will be apportioned before the end of the year to allow local sponsors to submit new or revised applications.

Secretary Weeks forecasts a lessening of airport congestion, greater safety and schedule dependability as a result of the increased expenditures. At present only seven American airports are capable of handling unrestricted jet transport operations and only 150 of the nation's 1,926 fields have paved runways long enough for today's transport planes.

Farms retooling for **NEW MODEL PIG**



Today's pig produces a glut of lard with no promise of increased demand

New porker features trim lines that flow gracefully over good, lean meat

Loss of lard market and popularity of lean European hams sends \$5,000,000,000 swine industry into giant changeover

A REVOLUTION is generating in the nation's pig pens.

Within ten years (perhaps five) the millions of lard type hogs which now polka-dot our landscape may disappear. They would be replaced by meat type porkers with an inbred tendency to produce more lean cuts and far less fat. The changeover would amount to an almost complete retooling job by the giant swine industry although, unlike in a factory, the process would not interrupt production.

It's a big deal, moneywise and otherwise. Farmers grossed more than \$3,000,000,000 from hogs in 1954, and although there are only estimates as to Mr. Grunt's total worth to the economy, the guesses run up to \$5,000,000,000. Traditionally, we have used everything the hog has got except his squeal—including the pancreas gland from which we derive insulin at the rate of one ounce to 7,500 pigs.

The new hog population would be developed by selective breeding proc-

esses from the small pool of meat type animals already in existence, and the stupendous sweep of the operation is illustrated by some statistics of the U. S. Department of Agriculture.

There were 55,000,000 hogs on farms last Jan. 1, and of the 100,000,000 little pigs that go to market in 1955 fewer than a third will meet the less fat, more lean standards of the revolution in porkers.

Some fortunes may be made in the process of retooling, and some may be lost, but it's either that or the hog is going to lose his reputation as the farmer's mortgage lifter.

The hog is in the worst predicament of a long and fabulous career which dates back to the Eighteenth Century when we developed the affinity between the animal and Indian corn. There's a glut of lard, without the slightest promise of improved demand. Detergents have cut into the market for inedible fats that go into soap, and with hog production above prewar levels in most nations, the

export outlook for American pork is bleak.

Currently highlighting the woes of the pig family is the trend of prices for hogs on the hoof. In the fall of 1954, the average price per hundredweight was \$20. Last spring it was \$17.50. This fall the average price may drop to \$17 per hundredweight, and by next spring to \$15, which means 15 cents a pound to the farmer for a 200 pound hog that took five to six months to rear. Pessimists are talking in terms of \$12 prices by January.

Birth control in the pig pen might ameliorate some of these problems, but fewer hogs will not change the calory-conscious consumer's increasing resistance to pork. That's where the fat is in the fire. The consumer has advised Mr. Grunt in writing—on the cash register slips of retail markets—that his hams, loin roasts, chops, shoulder butts, picnic shoulders and bacon are too fatty, and the real payoff in the pig business has always come from meat,

not by-products. You would never guess it from the hog market, but our per capita meat consumption is up by one third in the past 20 years. We are eating half again as much beef and twice as much chicken, while pork consumption is at a 16-year low.

"Pork," says the *Farm Journal*, "is losing out. Even more embarrassing than losses to competing meats in this country is the shellacking our pork is taking from foreign hams."

This hog-rich country imported 113,200,000 pounds of pork in 1954, mostly in the form of canned hams from Denmark, Holland, West Germany and Poland. The total imports are hardly a nibble compared to domestic output, but the trend concerns the swine industry. Imports in 1954 were almost 30 per cent ahead of 1953 and about double 1952, and the swine industry is aware that it is usually tougher to recapture a skidding market than to build a new one. Foreign hams are finding favor because they are very lean, well shaped and can be sliced from end to end.

Can't American packers turn out hams to match the imports? They can, and they do. They would produce many more of them, they say, if they could get the right kind of hog in sufficient numbers.

The ham begins with the pig. As Carroll Plager of Hormel & Co. at Austin, Minn., points out, "The meat packing industry is the direct opposite of the auto industry which puts a number of parts together to make the finished product. We start with the whole hog and must find a market for all the parts."

The American Meat Institute, the trade association of the packers, along with the major segments of the farm press, is in the van of the revolution. So are most of the purebred hog breeders' associations. These breeders are the men who supply new blood in the form of boars (male hogs) for farm herds and foundation stock of both sexes for new herds. They are businessmen, eager to produce the kind of product their customer wants.

Their customer is the farmer, the commercial market hog producer, and the farmer is for the revolution, too—with reservations. He would like to see the live hog buyers pay a premium for meat type hogs before he invests in new breeding stock at several hundred dollars, or maybe more, per animal. Some buyers already do, and others are inclined to go along if the farmer, in his turn, will accept a discount on over-fat hogs.

Many farmers believe that naturally fat type hogs grow faster and use less feed per pound of gain than



in **showrooms**



or in **workshops**

KENFLEX floors cut maintenance costs

You'll get both—good looks *and* the ability to take heavy-duty service—when you specify KenFlex vinyl asbestos floor tile. Even more important, you'll get low-cost maintenance. That's because KenFlex's smooth, non-porous surface literally "sheds" dirt; grit, grease and grime are easily mopped away without hard scrubbing. Spilled oil, fats, most chemicals and foodstuffs can't penetrate or stain it. No waxing is needed except for added lustre.

Although KenFlex is specially formulated to stand up under severe industrial conditions, it actually costs *less* than many floors that quickly become scratched and marred. For full details on KenFlex and other Kentile, Inc. Floors see your Kentile Flooring Contractor listed under FLOORS in your Classified Phone Book.

KENFLEX
VINYL ASBESTOS TILE®

*Made by America's
largest manufacturer
of resilient floor tiles*

©1955, KENTILE, INC., BROOKLYN, N. Y.

* REG. U. S. PAT. OFF.
KENTILE • KENCORK • KENRUBBER • KENFLEX • KENFLOR •



Dependable
B&O Time-Saver Service
is proving to many
less-than-carload shippers
that their schedules
can be cut by
as much as
one-third.
You can
benefit,
too!

Ask
our
man!



**BALTIMORE & OHIO
RAILROAD**

Those who know . . . use the B&O!

NEW MODEL PIG *continued*

do naturally lean types but, on balance, the farmer is perfectly willing to raise the meat type hog if he can do so at more profit, or, at the worst, with no less profit than he can get by raising the lard type porker.

So the revolution is not without its roadblocks.

Dr. L. N. Hazel, livestock specialist at Iowa State College, points out "a real danger of going overboard for meat type hogs. Farmers still want improvements in litter size, soundness, freedom from defects, growth rate and good qualities as well as meatier hogs."

For example, the mothering ability of the sow is of considerable economic importance. It's fine if Mrs. Grunt has 11 piglets in one litter, each of them endowed with the meat type qualities she carries in her genes, but if the mothering ability has been bred out of her, and she thoughtlessly squashes seven of her babies before weaning time, it's not so fine. The litter comes close to a dead loss.

No one in the industry wants to sacrifice the good qualities of the Grunt family in the process of re-vamping its metabolism, structure and conformation.

The men who are actually molding the progenitors of tomorrow's average market hog have all these things in mind.

Their enthusiasm is tempered by a restraint that comes from the knowledge that they are launched on a scientific adventure which rivals, in its own way, the exploration of the atom.

The meat type hog is being designed to meet all objections. Primarily, it must please the consumer. Mr. Plager says "The meat type hog was not invented by either the producer or processor, but rather by the housewife, even though hog type is about the farthest thing from her mind as she does her critical shopping."

Meat hogs are not ordinary hogs in thin condition, says R. L. Pemberton, secretary of the Hampshire Swine Registry, one of the purebred hog breeders' associations. "Muscling is a bred-in factor. Meaty types backed by generations of meaty hogs are more likely to reproduce meaty hogs."

As Mr. John H. Zeller, head of the swine section at the Beltsville, Md., U. S. D. A. station, defines the meat type hog, "It is a fast-gaining hog with a natural tendency to yield the maximum percentage of the preferred cuts, including trimmed hams, loins, picnic shoulders, shoulder butts and bacon with just enough finish to secure trimness of carcass."

Finish refers to the correctness of the amount of fat and its distribution.

It's a question of breeding these qualities into the hog. Experiments of trying to "feed instead of breed" a meat type have been abortive. The result was not only a defatted, but a demuscled hog, and there's a saying in the swine industry that "You can't feed a good carcass into a wrong kind of hog."

If the customer is happy, the packer will be happy. The packer will get a barrow or gilt weighing, on the average, 200 pounds on the hoof and yielding close to or even more than 50 per cent of its live weight in the preferred cuts. (A barrow is a male hog which was desexed before it reached adolescence—it is the steer of the hog family; the gilt is a maiden sow.)

The farmer should be pleased with the ideal meat type because it is being designed to hit the scales at 200 pounds within five months or less, making a pound of gain from about three pounds of feed. The meat type hog will be, as the trade saying has it, "a good doing hog," and cost of production is all important to the farmer.

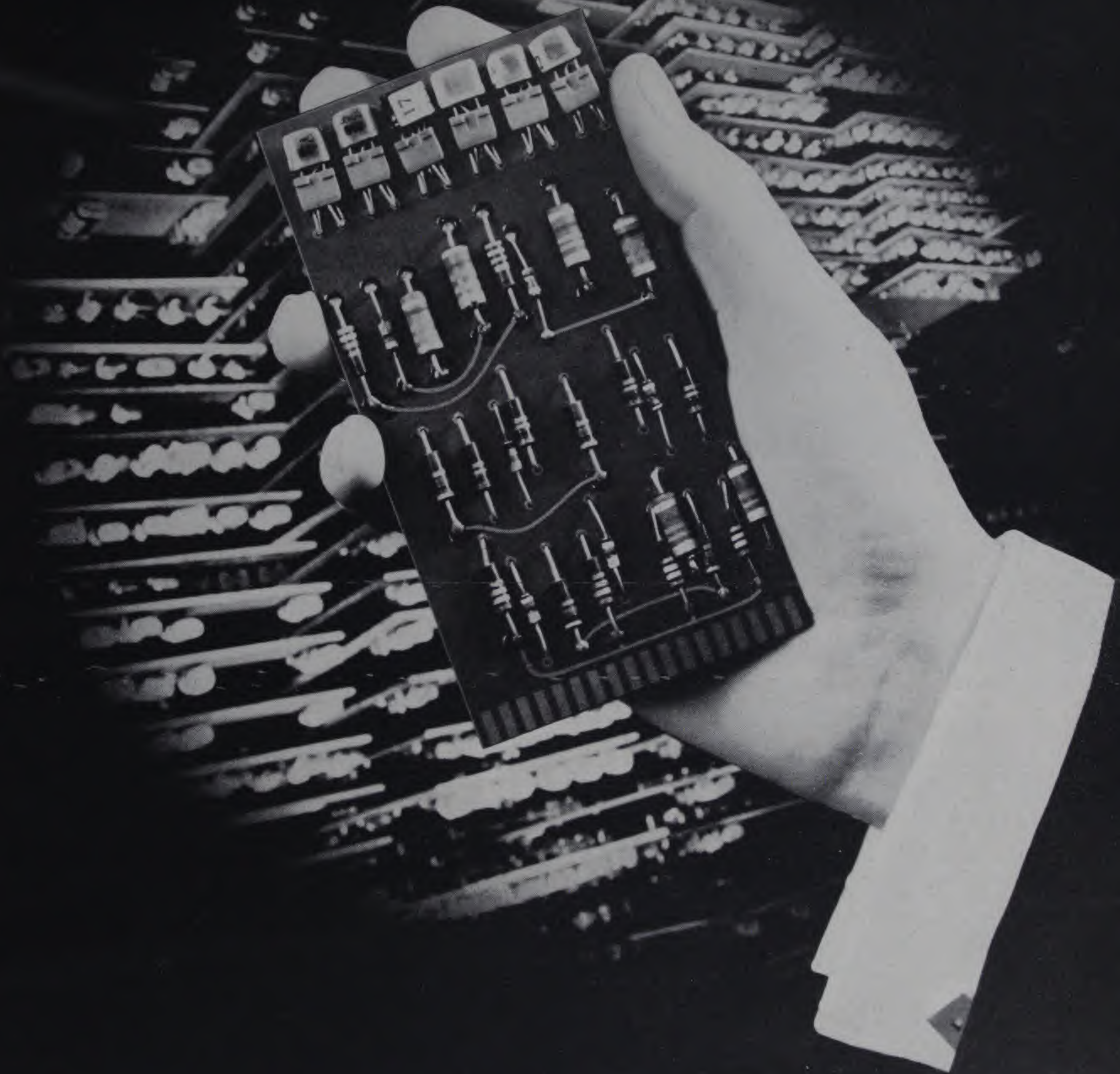
Dr. Hazel says the meat type hog he has in mind is not only the consumer's choice, but the farmer's type, the kind that will net the most money in the farmer's pocket, and Mr. Zeller ties up the definition of the ideal meat type hog with the comment that "The meat type hog should be worth more to the hog raiser, packer and the person who eats the pork."

While this sounds like a big order, the hog is the most plastic organism of all farm animals. Wonders can be done with the Grunt family by selective breeding, for Mrs. Grunt's gestation period is 114 days; she will farrow twice a year, and produce litters of from six to 12 piglets at a time. Within five years, she can be a grandmother to the fourth power. One sow has paid for many a farm boy's college education.

The procedure by which the meatier hog is being propagated would seem to provide an almost perfect answer to a question asked by the Soviet agricultural mission on its recent visit to America. The Russians wanted to know if the scientific research at Iowa State was directed by "Your academy of science," meaning, "Is American science centrally organized?"

The meat type program is anything but that. It is freewheeling and uninhibited. Government has a big hand in it, but it's a case of free enterprise hiring government as an agent. The projected change-over in

IBM leadership in action . . .



Panel of decision makers

Today, IBM electronic panels like this are paving the way for a whole new family of lightning-fast computers and data processing machines—"decision-makers," adaptable to large or small business, that can be mass-produced with typical IBM precision.

These tiny, power-packed transistors mounted on printed wiring panels replace bulky vacuum tube assemblies. By greatly reducing heat output and by effecting dramatic savings in space and power requirements, their use in IBM electronic data

processing machines results in vastly simplified installation.

Through the use of developments such as this, IBM is bringing the revolutionary, yet practical, benefits of electronics to more businesses than ever . . . helping America work better and faster—at less cost.

*International Business Machines Corporation
New York 22, N. Y.*

IBM
®

**DATA
PROCESSING**

FACTS FROM Phoenix



WHAT'S THE RISK IN SIGNING A FRIEND'S BOND . . .

for instance, when he becomes administrator of an estate? Whoever signs that bond guarantees proper performance of duties—becomes accountable for errors—assures proper disbursements of funds and property—becomes liable to pay defaults. When you sign as "Personal Surety" you risk all your worldly assets. The alternative? A "Corporate Surety" bond at low cost to the estate.

Remember this also if you are asked to become an administrator. Why become obligated or jeopardize your friendships? Place the responsibility in the hands of skilled, qualified surety bond specialists whose services an untold number of administrators have learned to appreciate.

Talk it over with your home town Phoenix Group Agent.

WHEN YOU BUY INSURANCE BUY INTEGRITY



Phoenix

OF HARTFORD GROUP

All forms of Insurance except Life

The Phoenix Insurance Company
The Connecticut Fire Insurance Company
Equitable Fire & Marine Insurance Company
Minneapolis Fire & Marine Insurance Company
Reliance Insurance Company of Canada
Executive Office: Hartford 15, Connecticut

NEW MODEL PIG *continued*

hog type is proceeding in a climate of intense competition.

Uppermost in the collective mind of the swine industry today is this question: Will new breeds of meat type hogs—or first generation crosses between breeds—or new meat type strains developed from existing American breeds dominate the revolution?

All have their champions. In the past 20 years, researchers at U. S. D. A. stations and state colleges of agriculture have developed six new breeds of meat type hogs from crossbred foundations of two or more breeds. Men like Mr. Zeller saw this revolution coming when lard first began to glut the market in the 1930's. Had there been no war, with its artificial demand for fats and meat of almost any kind, the revolution in hog type might by now be ancient history.

With one exception, all these new breeds are part Danish, the result of interbreeding Landrace hogs imported from Denmark with American breeds. Laymen sometimes ask why it wouldn't be simpler to import European hogs whose hams seem to be so popular and found our new hog population on immigrant stock, but it isn't that simple.

The European hog does well in interbreeding, but his digestive system is inherently synchronized with dairy products, barley and potatoes. The American pig's digestive processes (and our hog economy) are synchronized with corn. The European hog, moreover, runs to bacon, and although we like bacon well enough, we like chops and roasting loins even better, and bacon sides have often sold below the average price of all cuts in the hog's carcass. The new breeds combine the better qualities of their mixed ancestry.

The cross bred school enjoyed a fine flurry of attention recently when Dr. John Lasley at the University of Missouri developed a gilt that weighed in at 201 pounds at the age of four months with no special attention as to diet or management. The girl pig was a cross between a Poland China (an old-line American breed) and a Landrace, and dressed out as a perfect meat type carcass. The achievement was widely hailed as proof that fast-gaining pigs are not always the fatties.

The purebred breeders were unperturbed. They have their own working blueprints for the meatier hog, and despite the intense competition among breeds, the breed associations are substantially in cahoots to the extent that most of them are going along with what is known as the "Certified Meat Hog Program." In

general, the idea of this program is to retain the particular specifications of the various breeds while transforming them into meat types.

These breeders, with their elaborate bookkeeping systems to keep track of hog family trees, have terrific investments tied up in breeding stock, and pride of breed is also a factor, just as in breeding dogs, race horses or beef cattle.

The current hero of the Certified Meat Hog Program is a Hampshire boar named King Edward, the first boar in America to carry after his name the letters, "C M S," meaning, "certified meat sire." To qualify for "CMS," a boar must sire five "certified litters," each of which must come up to rigid standards as to the number of piglets per litter, growth rate, and finally, dressing out qualities. King Edward has sired nine certified litters—not to mention more than several score others. One of his wives who collaborated in production of a certified litter was named, aptly, "Universal Hope."

King Edward, who is probably the best known hog in the country since



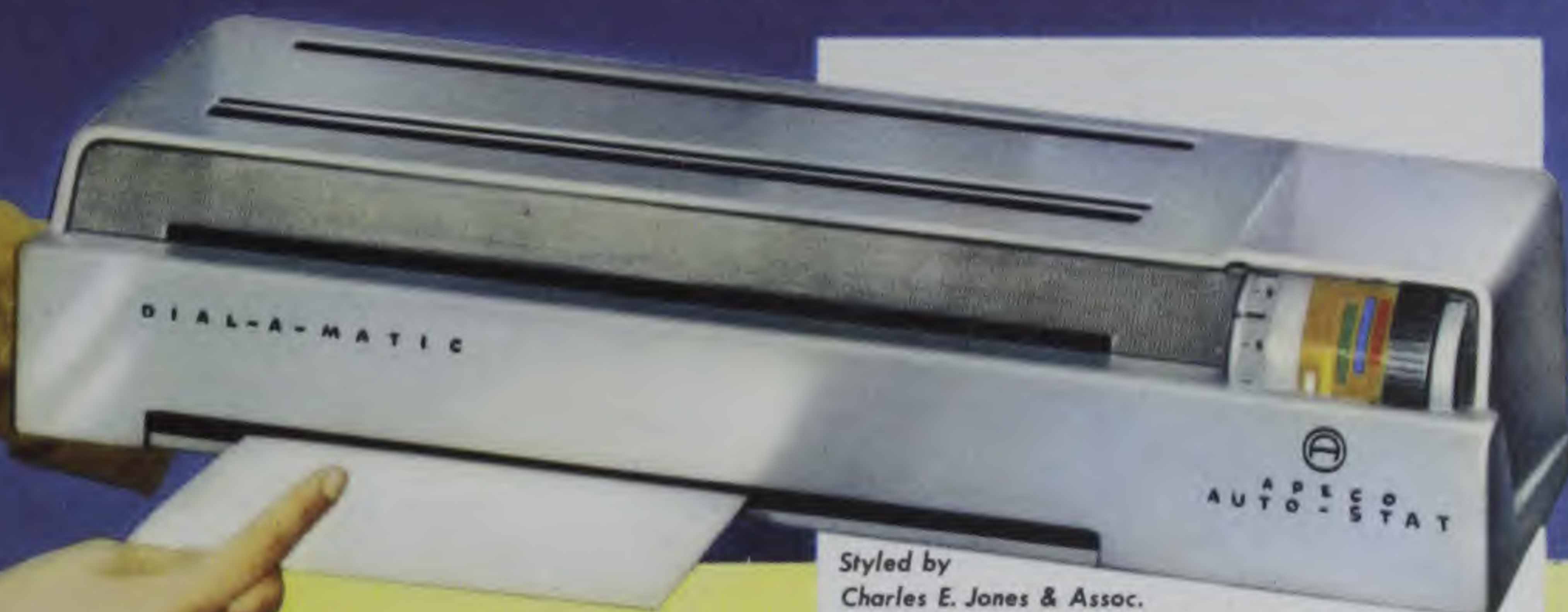
author Phil Stong created the fictional Hampshire, "Blue Boy," in the novel, "State Fair," was bred by Ruben Edwards of Corso, Mo., and was sold to Dean Snyder of Good Hope, Ill., under whose management the energetic animal achieved his honors. Last year, still scarcely in the prime of life, King Edward was sold to Carr Brothers of McNabb, Ill., for \$3,000.

This may sound like an astronomical figure for one hog, but it is less than ten per cent of the all-time record price paid in 1919 by Hugh L. White of Columbia, Miss., for a Duroc named Jackson's Orion King, the grand champion boar of the 1918 International Livestock Show in Chicago. Mr. White, now governor of Mississippi, recalls that Orion was definitely of the lard type, and in that day the world was crying for big fat hogs even as the domestic market today is hoping the revolution against the fatties will succeed.

It will, if precedent has anything to do with it. Among our national

Revolutionary New Photocopy Machine

Turn a Dial Get a Copy of Anything



Styled by
Charles E. Jones & Assoc.

the brand new

APĒCO

DIAL-A-MATIC

Auto-Stat

Now Get instant photocopies of anything written, printed, typed, drawn or photographed right in your own office.

Turn the dial . . . get the clearest, fastest most convenient copy of anything. It's the new all electric Apeco Dial-A-Matic Auto-Stat with revolutionary finger tip dial control. It's light weight for easy portability . . . compact to fit on the corner of any desk and is styled in polished and satin finish

stainless steel. It copies any original up to 15" wide, any length or color on opaque or transparent paper—printed on one or both sides. The Apeco Dial-A-Matic Auto-Stat offers hundreds of money and time saving uses at a price well within the budget of even the smallest firm.

The secret to the world's easiest copying method is in the dial. Amazing newly designed automatic copy control assures perfect copies every time. Just set the dial to the type of copies you want—your copies are ready in seconds.

**Delivered with Lifetime
Service Guarantee**

**Have You Read This
NEW BOOK?**

**Mail This
AIR MAIL**

Postage Paid Card

For your FREE BOOK

(See other side)

AMERICAN PHOTOCOPY EQUIPMENT CO.
Chicago 26, Ill.

AMERICAN PHOTOCOPY EQUIPMENT CO. (Dept. NB-105)
1920 West Peterson Ave.
Chicago 26, Ill.

Rush me, without obligation, your free book on new Apeco Dial-A-Matic Auto-Stat copying. I understand this factual report will show me how I can increase the efficiency of my business, speed work output.

NAME _____

FIRM _____

ADDRESS _____

CITY _____ STATE _____

In Canada: Apeco of Canada, Ltd., 134 Park Lawn Rd. Toronto, Ont.



**This Card Tears Out
Use it to get Your FREE Book!**



New all-purpose copy maker

the brand new

APēCO *Auto-Stat*
DIAL-A-MATIC

**Easiest Way Ever
To Speed Up Routine
Office Copying!**

Copy Anything
easiest way ever

New FREE BOOK tells you how!

Your free copy of this new book is jammed-packed with pictures and details about this revolutionary new copying method. Tells what Apeco Dial-A-Matic Auto-Stat copies are and how you can use these copies in your business. You as well as every executive member of your staff, should read this worthwhile informative,

factual report on this important new copying invention. You will find out how you can save time and money by speeding production, by cutting costly office paper work, by expediting shipping and receiving and hundreds of other ways to increase the efficiency of your business.

FIRST CLASS
Permit No. 26670
(Sec. 34.9 P.L.&R.)
Chicago 26, Ill.

Via Air Mail

BUSINESS REPLY CARD
No postage stamp necessary if mailed in the United States

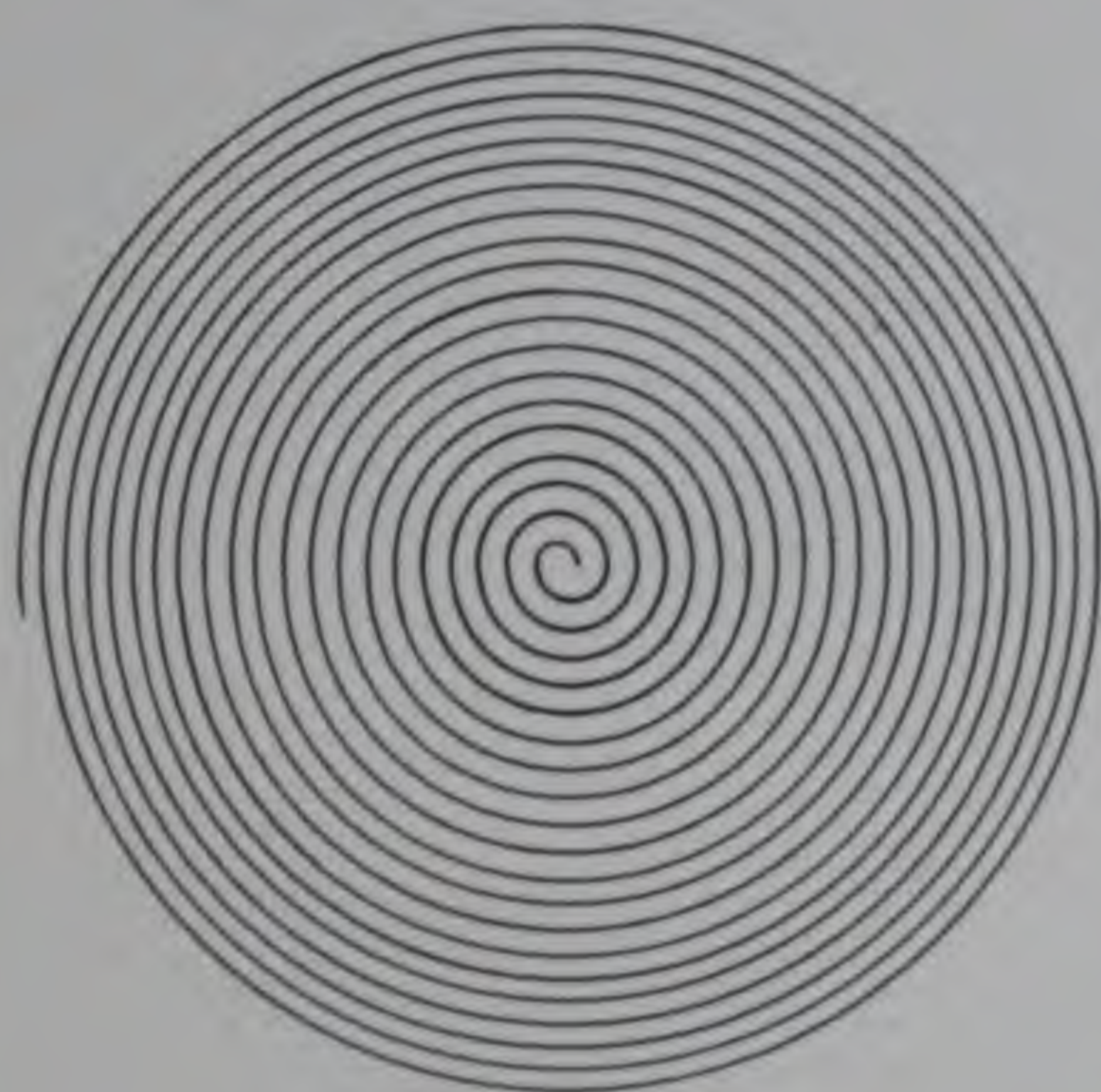
5c—Postage will be paid by—

AMERICAN PHOTOCOPY EQUIPMENT CO.
1920 W. Peterson Ave.
Chicago 26, Ill.



Use this Tear-out postage paid air mail card.

**MAIL CARD TODAY
for free book**



The Olivetti Printing Calculator unsnarls tangled business figures efficiently and economically. It automatically multiplies and divides, without mental counting of *any* kind (including counting for positioning); it is also a speedy 10-key adding machine, with automatic credit balance; in sum, 2 machines in one. Printed tape provides permanent record for fast checking, filing or attaching to work papers. More than 25,000 OPC's are now in use in the U.S., with lower-cost maintenance contracts than any comparable machine. Sold and serviced by branch offices and 450 dealers, in all states. For information, write to Olivetti Corporation of America, Dept. FA, 580 Fifth Avenue, New York 36, New York, without obligation.

olivetti



Portable portable: the remarkably light Olivetti "Lettera 22", for school, home, travel. Provides all regular features of office-size typewriters, plus Add-A-Line and Correcto-Space. \$88 plus taxes, in most states. At Olivetti's own stores (New York, Chicago, San Francisco) and at dealers. Write for names of those nearest you.

It's better business
to buy
Chevrolet Trucks!



*They put today's most MODERN
power-V8 or 6- to work for you!*

New Chevrolet Task-Force trucks deliver the goods when it comes to hour-saving, dollar-saving performance! They're powered with the most modern engines you'll find under any truck hood today.

Take Chevrolet's two new truck V8's.* They're compact. Super-efficient, with new Powermatic design. They deliver exceptionally high horsepower per pound, which means more power is actually available for hauling your loads. And

they've got the shortest stroke of any V8 in any leading truck. In fact, the stroke is shorter than the bore. Engineers call this oversquare design. It results in less piston travel per mile . . . longer engine life. It's the mark of today's most modern truck V8's!

New Chevrolet Task-Force trucks offer you the last word in sixes, too — advanced, high-compression valve-in-head sixes. They're new editions of

NEW CHEVROLET ***Task-Force***




the engines that have long been famous as the workhorses of the truck world!

And *all* Chevrolet truck engines—both V8's and sixes—bring you the advantages of a modern 12-volt electrical system.

It delivers *twice* the punch for quicker starting in cold weather—up to 30 percent faster cranking speed! It provides a bigger, hotter spark for better ignition and finer performance. And it gives you a greater reserve of electricity for operating accessories.

These are just a few of the reasons why you're ahead all down the line with new Chevrolet Task-Force trucks. Drop in and talk it over with your Chevrolet Dealer the first chance you get. . . . Chevrolet Division of General Motors, Detroit 2, Michigan.

TRUCKS



WORK STYLING

*A new approach
to truck design*

THE SHORTEST STROKE V8*

in any leading truck

NEW CABS

*with greater comfort,
panoramic windshield*

NEW CAPACITY— UP TO 18,000 LBS. MAXIMUM G.V.W.

NEW, MORE DURABLE STANDARD-WIDTH FRAMES

*Easier handling
with new*

POWER STEERING*

You can have

NEW OVERDRIVE* or HYDRA-MATIC*

POWER BRAKES

*standard on 2-ton models,
extra-cost option on all others*

TUBELESS TIRES STANDARD

on 1/2-ton models

*V8 standard on L.C.F., extra-cost option on all other models except Forward-Control. Overdrive optional at extra cost on 1/2-ton models; Hydra-Matic optional on 1/2-, 3/4- and 1-ton models. Power steering optional on all except Forward-Control models.

Fire! But this building didn't burn



Just before this photo was taken, this Butler building was wrapped in flames from an adjoining fire.

it's a fire-safe **BUTLER** steel building

Time and again, fire-safe Butler steel buildings have earned an unexpected bonus for their owners. In roaring infernos, they have shielded their contents—with only a few dollars worth of damage to easily replaceable covering panels. They have contained interior fires, leaving surrounding inflammable buildings untouched.

If fire strikes your present buildings—rebuild with Butler. Half finished at the factory—they are bolt-assembled in less than half the usual erection time. Besides being fire-safe, there are many more important Butler construction features that save you important money. Learn the whole story... send coupon today.



Manufacturers of Oil Equipment
Steel Buildings • Farm Equipment
Dry Cleaners Equipment • Special Products

Factories at
Kansas City, Mo. • Galesburg, Ill. • Minneapolis, Minn.
Richmond, Calif. • Birmingham, Ala. • Houston, Texas

For prompt reply address office nearest you:

BUTLER MANUFACTURING CO.

7456 E. 13th Street, Kansas City 26, Mo.
956 Sixth Ave., S.E., Minneapolis 14, Minn.
1056 Avenue W, Ensley, Birmingham, Ala.
Dept. 56, Richmond, Calif.

Please mail more information on
Butler steel buildings.

NAME _____

ADDRESS _____

CITY _____ STATE _____



DR. GROVER W. ENSLEY is staff director of what has been called the country's "most important economic policy group." This is Congress' over-all Joint Committee on the Economic Report. The Committee, which was formed in 1946, has been a major force in shaping American economic policy not only in Congress but in the Administration and business world, as well. Its studies and publications are must reading among economists.

Dr. Ensley served with the Tax Foundation and Bureau of the Budget before coming to the Joint Committee. In this interview he consulted with DR. WILLIAM H. MOORE, right, staff economist for the Committee on fiscal and monetary matters.

CREDIT continued from page 52

begin with some definitions. For instance, when people ask if the amount of credit is overextended, the question really being raised is whether the amount of debt outstanding is manageable. Debt might become overextended in several ways. The first of these, and probably the one most frequently in mind, may be called the quantitative aspect—that is, the actual amount of debt. The second may be termed the qualitative aspect. This refers to the soundness of the loans being made in terms of the down payment required, the period over which repayment is stretched out, the basic security and the uses to which the funds are put.

In trying to decide whether credit is overextended we need to consider also the rate at which it is expanding and just how troublesome it might be to borrowers if we should have a minor economic setback.

Taking up the quantitative aspect: Are debts too big?

In such a fluid field, a right answer today might not be right tomorrow. We must remember, moreover, that the other side of debt is savings. Before anyone can borrow money, somebody must have it to lend. If the lender is a commercial bank, the bank must have reserves and, unless there are unused resources, the borrower's dollars will come into the market in competition

with, and in some measure lessen the value of, existing dollars.

These loans—that is, these debts—are such an important supplement to the money supply and so important to the operation of the free market economy and the creation of new capital that we would certainly not want a situation in which everybody had paid off his obligations.

So long, however, as the debtors are able to take care of the interest and repay the loans before the assets which they purchased out of the borrowed funds are worn out, debt is a healthy and necessary thing.

Are you alarmed because our debts today are higher than they have ever been?

Comparisons of our present debts with debts of other years have historical interest, but they must be interpreted with caution. In a growing country such as ours, economic series are almost constantly reaching new highs. Debts are at new all-time highs; wages are at all-time highs; profits are near all-time highs; national product is at unprecedented levels. All these statements simply mean that the country is bigger than it was yesterday. Instead of the absolute present levels, or the level in relationship to some past benchmark, the important thing in the case of credit is the borrowers' ability to carry it under present or expected conditions. Specifically it is

the relationship of the annual or monthly service charges compared to annual or monthly income available.

You feel that we are able to carry today's debts?

Let's look at some figures:

At the end of 1954, the debt of the federal government and its agencies (exclusive, that is, of amounts held by the government itself in special funds) was \$230,000,000,000; state and local governments owed \$33,500,000,000; the corporations owed \$176,600,000,000, while individuals and unincorporated businesses owed \$165,300,000,000—a total public and private debt of \$605,400,000,000.

At the end of 1945, the federal debt on a basis comparable to that just mentioned was \$253,000,000,000. State and local governments owed about \$14,000,000,000; corporate debt was \$85,000,000,000 while individuals and non-corporate business owed \$54,000,000,000—a total public and private debt of only \$406,000,000,000.

So, between 1945 and 1954, total debt has increased 50 per cent. But, in the same period, gross national product increased from \$215,000,000,000, to \$360,500,000,000. That is 68 per cent.

Put another way, the aggregate debt at the end of 1945 equaled almost two full years of national product at the 1945 rate. Today it would take a little over a year and a half's gross product to match the debt.

What would be a good ratio of those figures?

There is no rule of thumb. The question is if, in a moderate readjustment, we could service the debt. In 1949-51 and in 1953-54 we did. There were few foreclosures, repossession rate in the consumer field was modest, there was no repudiation by state and local governments.

Do you see a connection between the growth of national product and the increase of debt?

There is a natural connection. Mortgages on nonfarm homes (one-to-four family) totaled \$76,000,000,000 in 1954, compared to only \$66,000,000,000 a year earlier and \$45,000,000,000 at the end of 1950. The various housing acts, liberalizing credit provisions, were an important factor in this rise. They stimulated the economy and were intended to do just that.

Instalment and noninstalment credit have been expanding rapidly, too. Consumer credit at the end of July totaled \$32,896,000,000 compared to \$28,725,000,000 a year ear-

Try them
now
and you'll
see



Burroughs Ten-Key

ONE OF
THESE TWO
IS BEST
FOR YOU!



Burroughs Director

Now you can try a great new Burroughs adding machine in your own office, on your own work, at our expense! All you have to do is make a phone call. Our local branch office or dealer is listed in the Yellow Pages. Why not phone today? Burroughs Corporation, Detroit 32, Michigan.

"Burroughs" is a trade-mark



lier. The major part of this increase, of course, was in instalment credit, especially in automobile paper which was up about \$2,400,000,000 and about double that outstanding at the end of 1951. But remember this helped to make a market for jobs, materials and machinery in the automobile industry.

Has this been an expensive way to increase production?

People often add up the amount of interest paid over a period of years and include this as a part of the cost of the item being purchased. This is not an entirely realistic way to look at it. The interest paid on an instalment contract or a mortgage is not really a part of the cost of the asset but an amount paid annually for the privilege of having an automobile, house or television set sooner than would otherwise be the case.

To illustrate, take the case of a home mortgage. Here the buyer has the choice of paying rent—an annual charge over a number of years—while he saves to buy the house; or he may buy the house and pay an annual charge in the form of interest while he accumulates an equity in the property.

The interest plus the payment on principal may be less than the rent he would have paid if he had made the other choice.

What about the qualitative aspect of our loans?

Figures compiled for May by the American Bankers Association covering loans by commercial banks showed delinquencies of all types at relatively low levels and the average rate of delinquencies at the lowest point since the gathering of data on the subject was started in 1948. We don't have the statistics for the most recent weeks but, in view of the high levels of employment, there is no reason to suppose that the situation, as judged by the delinquency test, has become any worse.

With instalment credit, we must remember, too, that people constantly make substantial repayments as well as new borrowings. In 1954, for example, more than \$29,000,000,000 of instalment credit was extended but a similar amount—also more than \$29,000,000,000—was repaid. In the first five months of 1955, borrowers paid more than \$12,500,000,000 on their instalment debts, although instalment credit outstanding did increase by some \$1,400,000,000 (partly seasonal) during the same period.

If we should feel that restraint is necessary, what can we do?

First of all, private borrowers and private lenders can do a great deal



WATER CONSERVATION SAVES \$350 PER MONTH for California aircraft plant. With accurate metering this is expected to reach \$1300 per month.

Badger Meters help water departments prosper...even cut costs for industry



360 BUBBLING DRINKS . . . ONLY A PENNY. Every day is bargain day at the drinking fountain. One of the best advertisements for waterworks efficiency!

Communities delivering metered water are in the best position to serve taxpayers—and maintain self-supporting water departments. A typical Midwest city now reports a profit every year since they installed Badger Meters, instead of an annual deficit of \$3,000.

Badger Meters on the job promote more equitable rates for industrial, commercial and residential users. It's the natural result of precise measuring of water distribution.

And all the while, Badger Meters are helping conserve water, so vital to community expansion. One manufacturer in the parched Southwest reports saving 4 million gallons monthly. Certainly a real economy story!

No wonder Badger Meters are earning high praise wherever installed. Write for complete information.

Badger



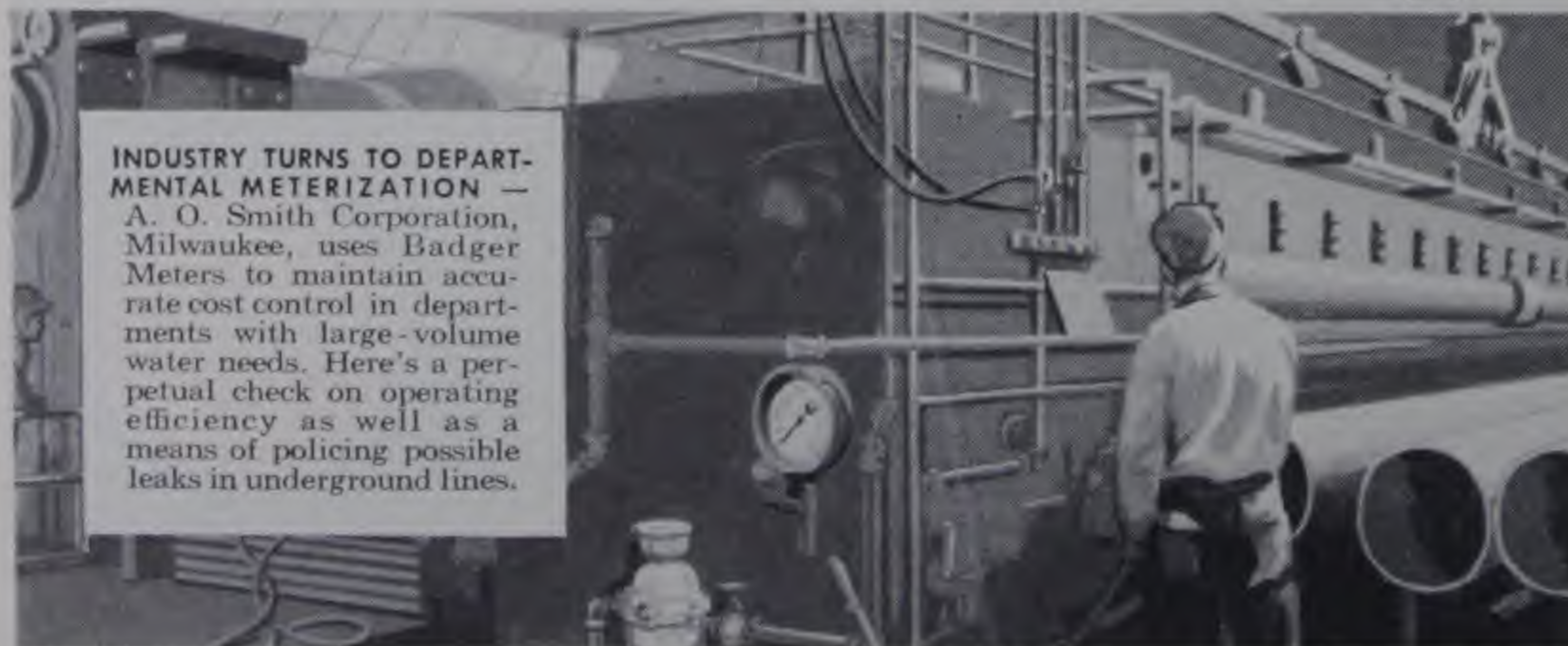
Water Meters

BADGER METER MFG. CO.
MILWAUKEE 45, WISCONSIN

"Measuring the water of the world for 50 years"



INDUSTRY TURNS TO DEPARTMENTAL METERIZATION — A. O. Smith Corporation, Milwaukee, uses Badger Meters to maintain accurate cost control in departments with large-volume water needs. Here's a perpetual check on operating efficiency as well as a means of policing possible leaks in underground lines.



about keeping the volume of credit within safe limits. Not only can they do this but they have a responsibility to do it by carefully examining the needs and the ability of borrowers to carry the additional or new debt. Beyond this businesslike restraint on the part of private lenders and borrowers, the government can exert its influence in the direction of restraint if this seems called for.

How and why should the government have an influence over the volume of private borrowings and debt?

The Constitution expressly grants Congress the power to coin money and regulate its value. Much of what serves as money today takes the form of bank deposits against which checks are drawn. In exercising its constitutional power over the volume of money and its equivalent, credit, the Congress has created as its agent the Federal Reserve system which can influence the volume and cost of credit in various ways: by moral suasion, by increasing reserve requirements, by open market operations and by increasing the discount rates.

Do these approach the problem in its quantitative or in its qualitative aspects?

In general the government stabilization controls are aimed primarily at the quantitative aspects of credit. They seek to influence the amount of money available for lending. Of course, this indirectly affects the qualitative aspect, too. If a banker, for instance, has only so much money to lend and several prospective borrowers, he will naturally lend to the borrower who is the best risk. Through bank examinations the government keeps a close watch over the qualitative aspects of bank credit.

Let's discuss the working of these controls—moral suasion to start.

This is perhaps the simplest thing the Federal Reserve can do. By warning of unhealthy conditions and pointing out to bankers, granters of credit and borrowers the risks inherent in further credit expansion, the Board can be somewhat effective in the direction of restraint.

Moral suasion or, as it is sometimes called, the jawbone technique, can easily be abused, however, as a subcommittee of the Joint Economic Committee pointed out three years ago.

Not only does its effectiveness wear off as time passes, but it is likely to have a discriminatory effect. The more thoughtful, careful person is likely to be most influenced by it, whereas those who are really getting most out of line will continue to take

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

I buy by brand—do you?



"I buy by brand.

In the long run, I have found, you get more for your money—make fewer mistakes.

"That's the only way to buy insurance, too.

After a fire or other loss it is much too late to find out if you have made a mistake. That's why we talk to our agent at least twice a year and take his professional advice on what types of protection we really need.

"On his recommendation, our home, car and other property are insured by The Home Insurance Company. It's a friendly company, and that's important to us. We may never have a loss, but if we should, we'd rather be dealing with The Home.

"It's quality insurance—and real peace of mind."

Now, See Your HOMETOWN Agent

THE HOME
Insurance Company

ORGANIZED 1853



Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

advantage of the situation and profit by it if they can.

Now let us discuss the reserve requirements.

The Federal Reserve Board has power to establish and change reserve requirements of Federal Reserve system member banks within the range of discretion established by the law. It can increase, and at times has increased, reserve requirements, or decrease them as the state of the economy seems to require. In the present situation, if you were convinced that credit was being expanded too rapidly, a rise in the reserve requirements of commercial banks would render them less able to grant credit, thereby forcing them to turn down some would-be borrowers and putting an upward pressure on interest rates which would similarly discourage possible applicants for loans.

Under present law, the big New York banks could be required to hold as much as 26 per cent reserve against their net demand deposit instead of the 20 per cent requirement now in effect. Small town and country banks could be required to hold 14 per cent instead of the 12 per cent now required.

Changes in reserve requirements are a rather blunt instrument, however, and their use must usually be accompanied by appropriate open market policy to smooth out the transition.

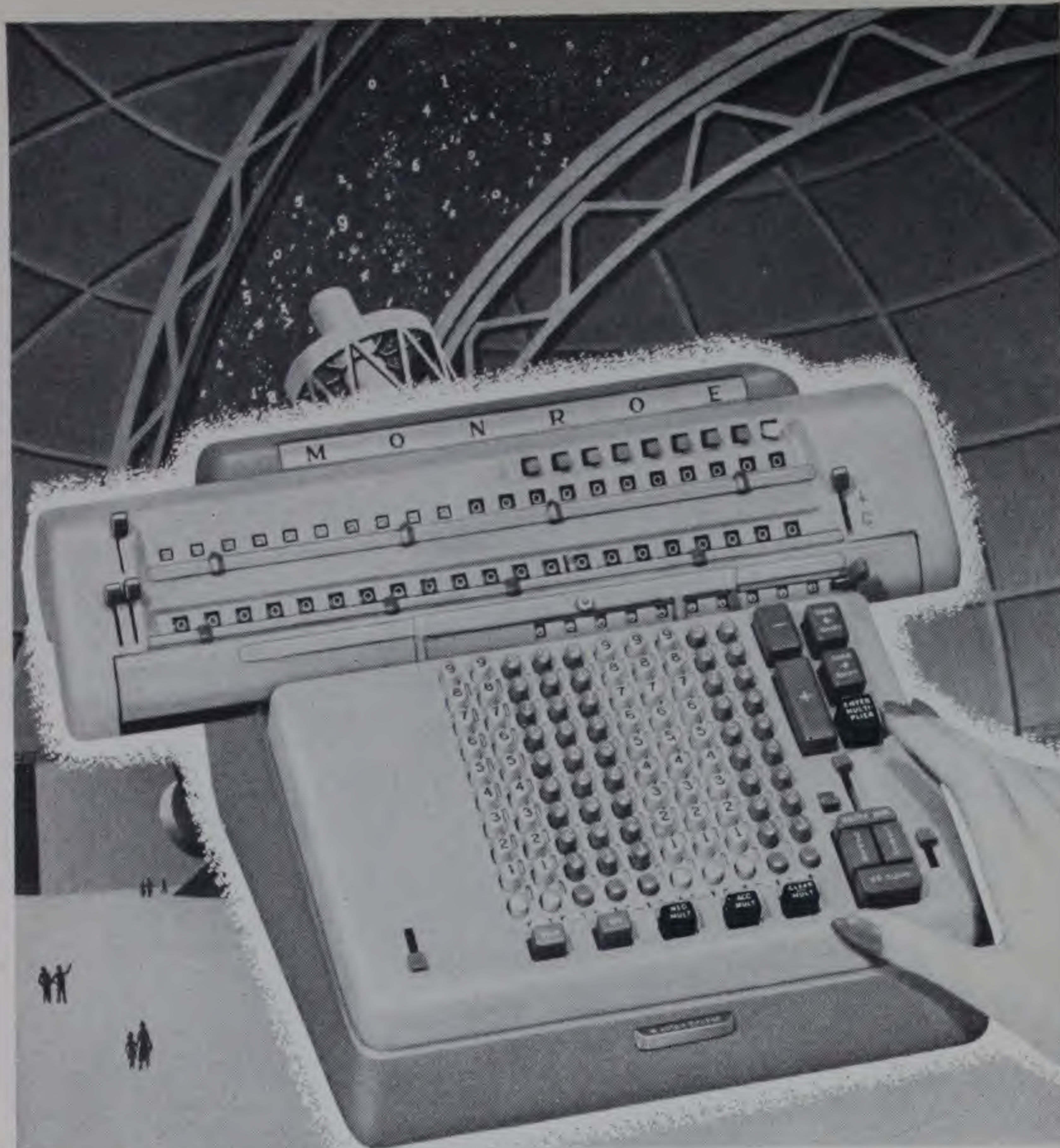
How about the open market operations?

Open market operations are the most flexible and most used instrument of monetary control.

Instead of changing reserve requirements by a broad regulation, the Reserve system can have much the same effect upon the volume of reserves which banks hold by buying and selling government securities through open market operations. The Federal Reserve system regularly owns a large portfolio of government securities. By selling some of these on the open market it can blot up some of the excess reserves which banks may have. The result is similar to that of raising reserve requirements in the sense that commercial banks with fewer available reserves will be less able and less willing to extend credit.

On other occasions securities may be purchased with a view to easing rather than restricting the reserve situation. In between the alternative policies are all sorts of intermediate actions such as simply not buying or selling or even reluctant buying or selling.

Can the Federal Reserve force



A New Calculator... A New Principle

AUTOMATION

Is at Work on Desks Today

It is here. Right now. The first figuring machine that actually opens the door to Automation on the office desk. Drastically shortens the span between problem and answer. Reduces each day's computing costs by a countable margin.

The new, totally automatic Monromatic is the only desk calculator with the modern, compact *single* keyboard of tomorrow. It automatically seeks its own decimal. The only one with functional-color con-

trols. Set the figures, large or small. Push a key. Automation takes over. This machine controls itself, gives the result in a split second. Eliminates human error. Ask operators who know. *They prefer Monroe.*

So far ahead today, the Monromatic is a *preferred investment* for years to come, an assurance against obsolescence. Monroe Calculating Machine Company, Inc. Home office: Orange, New Jersey. Branches across the nation.

see **MACHINES** from **MONROE**
for CALCULATING • ADDING • ACCOUNTING

banks to buy these government securities it offers?

It cannot force purchases. But it can make purchase so attractive price-wise that banks won't pass it up.

That brings us to the discount rate.

That is the rate which member commercial banks must pay the Federal Reserve banks to create, on their own initiative, additional reserves upon which they may base expanded loans to customers. Banks bring securities to the Reserve bank which lends the banks money on them, charging a discount rate for the service. By raising this rate, the Federal Reserve can make such transactions unprofitable.

As a part of its general policy of restraint, the system has in recent weeks taken a series of steps raising the discount rate from $1\frac{1}{2}$ per cent last spring, first to $1\frac{3}{4}$ and more recently to $2\frac{1}{4}$ per cent.

Don't other government agencies have ways to control credit, too?

In certain fields, yes. The down payment regulations of the FHA-VA which were issued on July 29 are a good illustration. The new regulations of the Veterans Administration require a cash down payment on a guaranteed real estate mortgage of not less than two per cent of the purchase price of property and reduce the maximum term over which a loan may be paid from 30 years to 25 years.

The effect of these larger down payments and higher monthly charges may reduce somewhat the number of people who can or will go into debt on such home loans.

Perhaps even more important, however, is the qualitative aspect of the credit which is granted. The borrower will of necessity begin with a modest original investment of his own and hence will be more interested in keeping up his end of the purchase contract. His monthly carrying charges will have been increased also by about the equivalent of 50 cents per \$1,000 of mortgage each month, building up his ownership slightly faster.

It is only fair to point out in this connection that the Veterans Administration in its action was only reflecting something that was already taking place in the market since private mortgage lenders had already been stiffening their down payment and monthly requirements.

As a further restraint, the Home Loan Banks have stopped extending credit to member associations.

Will this result in fewer houses being built?

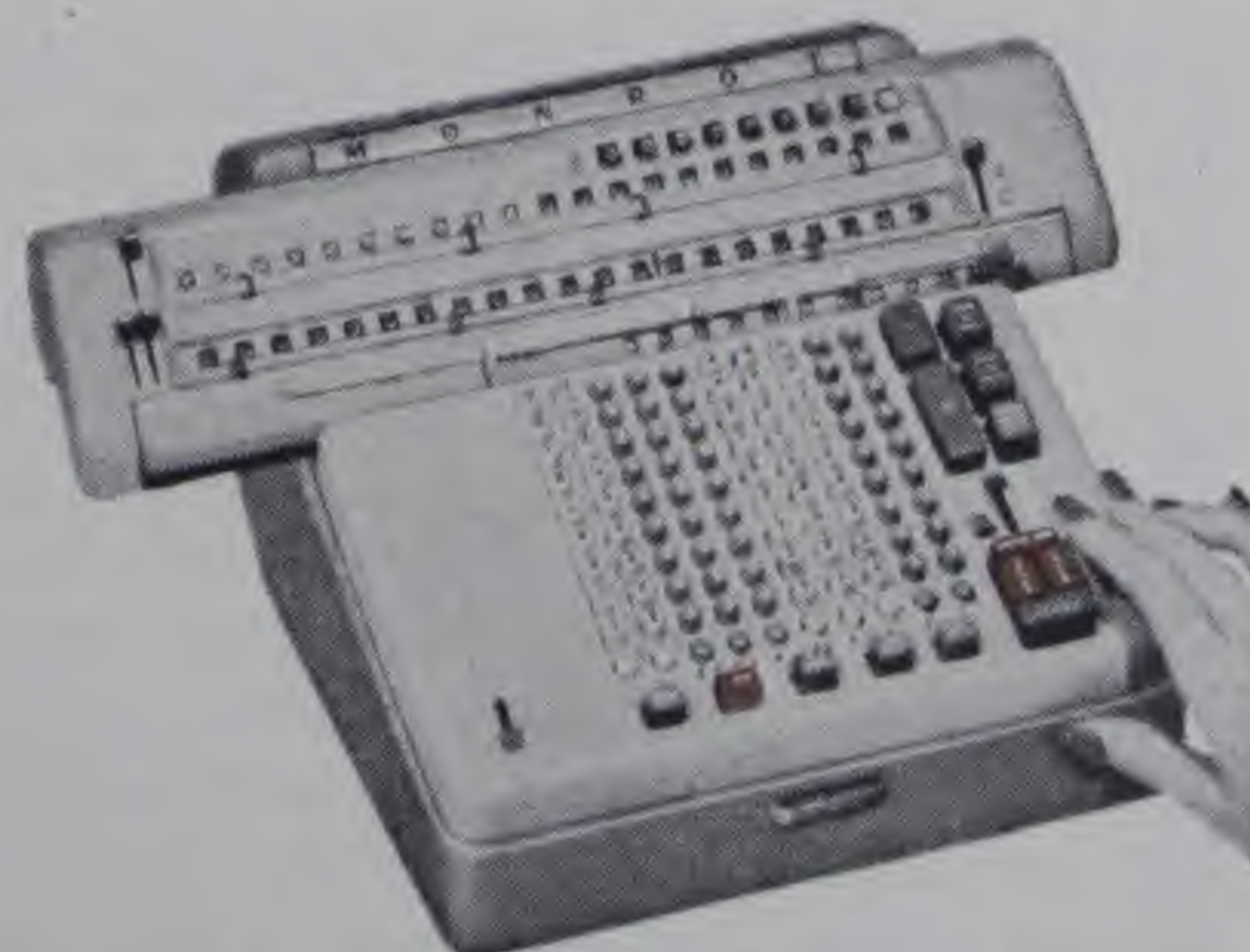
It is not clear what the restrictive
(Continued on page 88)



Let the MAN from MONROE put **AUTOMATION** On Your Desk

The MAN from MONROE at Jackson, Miss., Marion J. Brown, is a born civic leader. One instance: he helped bring Little League baseball to Jackson. He is a seasoned figuring analyst, trained in the creed, "Men + Machines = Monroe," men, of course, the most vital. Executives turn to him for figuring counsel in terms of their own businesses.

In your city too, there is a Man from Monroe, a postgraduate in simplifying figuring set-ups, realistically and objectively. See your phone book.



FUNCTIONAL-COLOR CONTROLS are now added to the many other vital *exclusives* in the Monroe-Matic Calculator—red control keys for dividing, and green for multiplying.

see **The MAN from MONROE** for
CALCULATING • ADDING • ACCOUNTING MACHINES

SUCCESS won't

Three diseases attack prosperous companies. Once they set in they are usually incurable. But they can be prevented by early action

**A Nation's Business study
by Peter Drucker**

THE GREATEST and least defensible waste in our economy today is the death each year of so many successful small and medium-sized businesses.

For unsuccessful businesses to go out of existence—however great a tragedy for their owners and employees—is necessary, if not beneficial, for the economy. It prevents the mis-investment of money, men and materials in unproductive work. It keeps the economy alive and growing.

But there is no such excuse for the death of a successful enterprise. This is sheer waste—waste of economic resources, waste of employment opportunities, above all, waste of the constructive effort and work that went into building up the business in the first place.

Of course we do not know how many such businesses disappear each year, though we know the number is sizable. They do not appear in the bankruptcy figures. After all, they are successful. A small number of them are liquidated while still going strong. A larger number just vegetate and slowly shrivel up, to the point, ultimately, where they have nothing to sell but some physical assets such as worn-out buildings or old machinery.

Many businesses—perhaps the largest number—are being sold, usually to bigger companies.

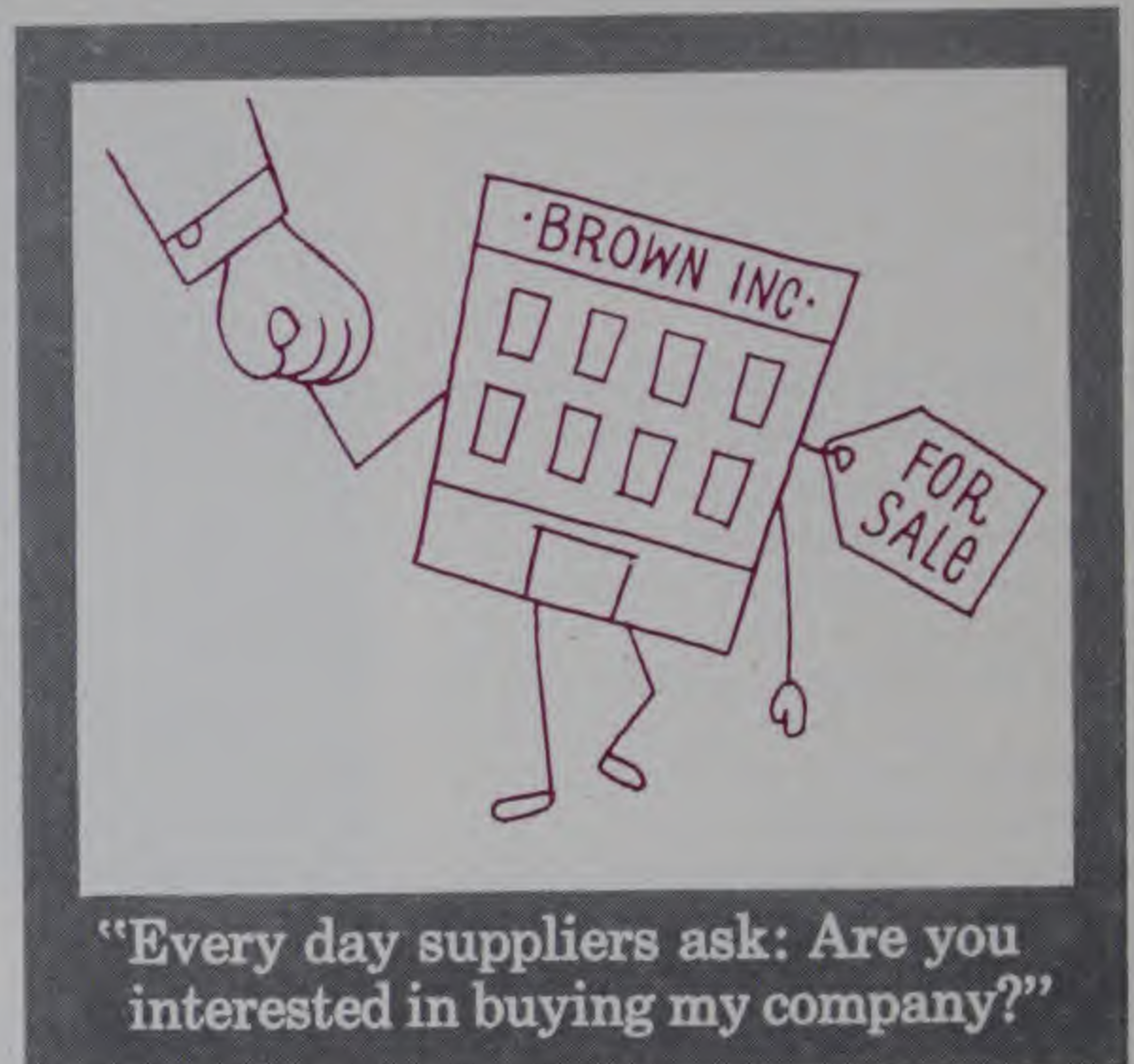
"Not a day goes by," a senior vice president of a large manufacturing company told me recently, "without two or three of our suppliers coming into my office to ask me whether we are interested in buying their companies. All these companies are doing well. If properly managed, they should go on doing well. Yet if we or some other big company don't buy them they are almost certain to disappear, and in some cases quite fast.

"We aren't interested in buying them; we need all our money and all our managers for our own business. But I hate to have to say no to a man whose whole life's work went into building up a fine business which he now either has to sell or watch decay."

There are three main causes of this mortality—three main diseases of the small or medium-sized successful business: our tax system; the lack of managers to

succeed the founder; and the dependence on one product or on a small number of customers. These diseases often occur together. But each of them by itself is enough to force out of existence a successful small business. And once these diseases have set in they are usually incurable.

But they can be prevented—if tackled early enough.



The dangers:

- ▶ Taxes
- ▶ Lack of young managers
- ▶ Dependence on one product or customer

THE DANGER the head of a small or medium-sized business usually worries about the most, though he rarely does anything constructive about it, is the tax problem.

A typical case is that of a prosperous business built up by two brothers. Both are now in their early sixties. The business is profitable enough so both have been living well; and both have been building up a nice estate to leave to their children.

But as soon as one of them dies, estate taxes will be due, to the federal government and at least one state government. Taxes must be paid in cash. But where will the cash come from?

The bulk of each man's property is invested in the business. To take enough out of the business to pay estate taxes may require liquidation. At least it would cripple the business to the point where it might slowly decay. To get cash by selling shares in the business

save your business

is usually all but impossible. The shares have no market so that the ordinary investor would not be interested in buying them.

There are ways to provide for such cash needs in advance; the company might take out an insurance policy on the life of each owner that would enable it to buy enough shares from his estate after his death to provide the cash for estate taxes. But the man whose major assets consist of holdings in a privately owned company faces a second hazard in connection with estate taxes: The amount his estate will be taxed is likely to be much higher, especially in good times, than if he held marketable securities such as shares in a publicly owned company.

The tax collector is perfectly willing to base his assessment of the tax on the market value of the securities a man holds when he dies. But the holdings in a privately owned company normally have no market value. Then the tax collector must apply other means of valuation, such as book value. These almost invariably yield a higher figure and lead to a higher tax assessment. I have known cases where the difference between what a company's stock would have brought on the market, had there been a market, and the book value that was actually used as tax base, was as one to four!

Small wonder then that the owners of such a business, having reached the age where they rightly worry about their estate, see no choice but to sell to a publicly owned company.

This way they get both marketable securities that can be easily converted into cash and a clear and reasonable market valuation for their estate. But, in the process, an independent, small business disappears; and with it a lifetime of successful and imaginative business leadership.

THE SECOND major disease of the small or medium-sized business is the lack of younger managers to take over when the older generation bows out. The most horrible example I have seen is that of a hardware manufacturer so successful that he could hardly be called medium-sized, let alone small any more. The company's entire management consists of four men: the founder of the business and also its president, who is 86; his twin sons, both in their early sixties, both ailing; and the sales vice president, just past 65, who had a serious heart attack last year.

Otherwise there is no one in the business higher than production foreman, salesman or bookkeeper. Yet, the company is in a competitive, fast moving industry in which management of a high order of ability and experience is an absolute must.

There are two main reasons for this lack of tomorrow's leadership. One is again the tax system.

Salaries in the small or medium-sized enterprise have always tended to be lower than those in the big publicly owned company. But there was one major compensation: In the small company a young man getting into the management could hope to become the boss himself. He could become an owner and thus acquire in the form of property more than he lost out on in salary. He could have the satisfaction of inde-

pendence, and of an opportunity to realize his own business dreams and business ideas.

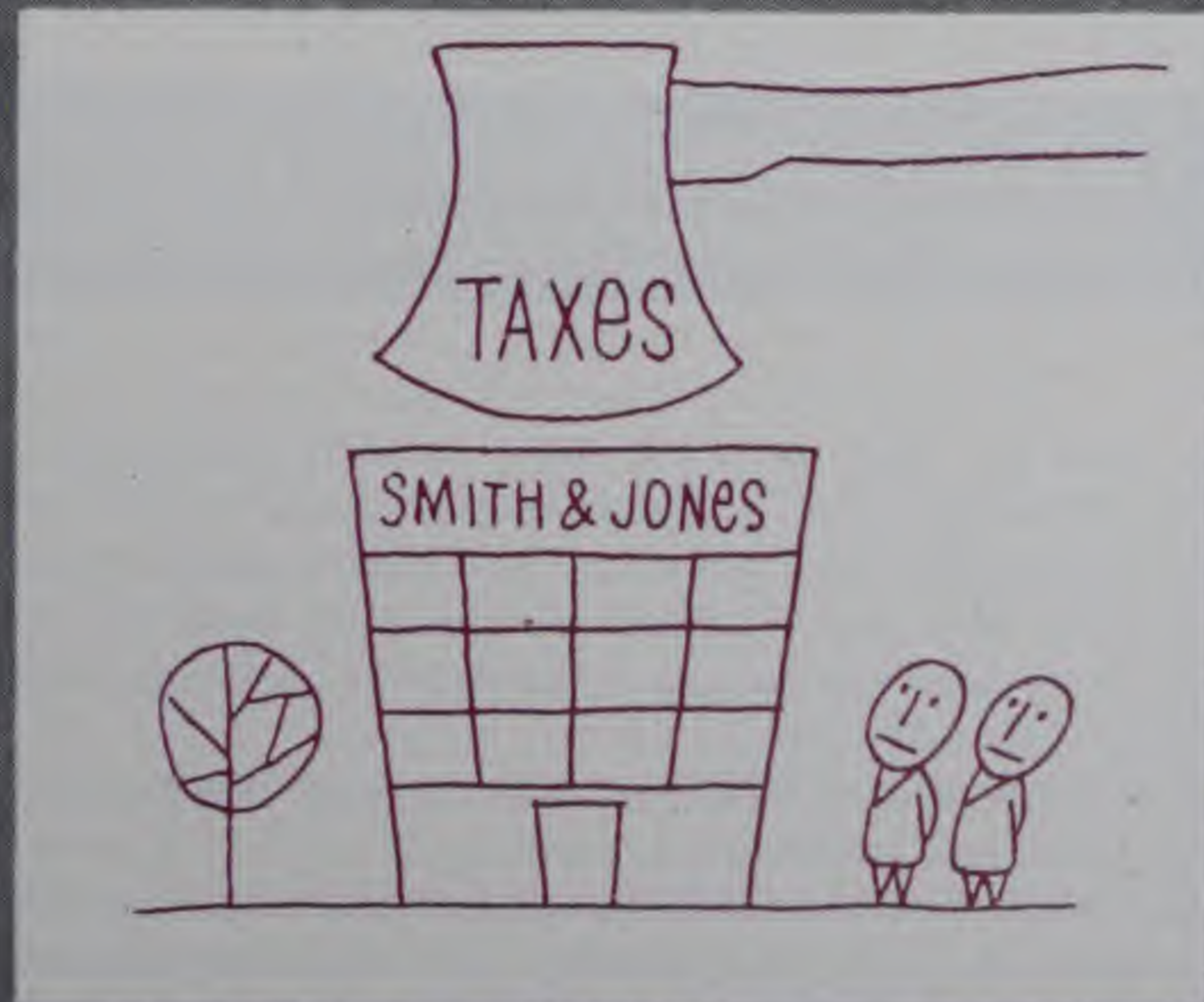
The gulf in salary for managers between the small or medium-sized company on the one hand and the large publicly-owned company on the other has widened steadily these past 15 years. The rewards for managers in the large publicly owned companies have come increasingly to include such things as delayed compensation, stock options and stock bonuses or life insurance policies; that is, rewards that go a long way toward building up an estate. At the same time our tax system has made it increasingly difficult, if not impossible, for the small company to offer younger men the incentive of becoming an owner.

This was brought home to me vividly a few months ago when a brilliant young production man, just under 35, came to ask my advice.

"I have been offered two jobs," he told me. "One as general manager of a well established and profitable company with about \$10,000,000 sales a year. The owners are getting old and would like me to take over the business by and by. The salary is about what I am getting now, \$18,000 a year. They are willing to sell me one third of the stock repayable out of profits over the years and give me an option on another third.

"The other offer," he continued, "comes from a large company. They want me as staff assistant to the manufacturing vice president and, since the vice president is himself only 40 or so, I might never get beyond that. But the salary is almost 50 per cent more than the small company offers. There is a liberal pension after 25 years of service, a good stock-option plan, stock bonuses and a large insurance policy should I die before I become eligible for the pension.

"I would love nothing better than to go to the small company. I have always wanted to be my own boss. And so much could be done with that company! But I don't see how I can afford it. On the profits with which I am supposed to pay for the stock, the company first



What worries the head of a small business most is the tax problem

pays a 52 per cent corporation income tax. Then I pay personal income tax—and that would be up around the 40 to 50 per cent bracket, too. At that rate and even with present profits which are at a record high, it would take me 15 years to pay for the stock. During that entire time I wouldn't have any money left over for the capital the company needs to do the things that would make it grow.

"If I die in the course of these 15 years my family would be left with a big debt and an unmarketable security on its hands.

"If I survive I'll have just about as much of an estate in 15 years as I would have in pension and stock options at the big company. In the meantime I'd be comfortably off at the big company and pretty badly pinched at the small one. Do you see any way I could take the small company offer?"

Sadly, I had to agree with him that he couldn't afford at his age and with his family to do anything but become a staff man at the big company.

Another reason why the smaller company so often lacks the men to perpetuate itself beyond the life-span of the founders is the lack, or apparent lack, of room for younger executives.

At every management meeting I have attended in the past ten years somebody from a small or medium-sized company has said:

"Of course I know we don't have the young executives we'll need tomorrow and don't train and develop what we have. But there is nothing we can do about it. We just don't have the jobs. The three or four men we have at the top now are all the management we have



Lack of young managers is a major disease of many successful firms

any work for. We aren't a big or a rich company and can't afford to have people on the payroll who don't have a full job just because we might need them in ten years. We can't afford to train or develop men. Each man does the job he is in and we can't spare him off that job for a day."

It is part of the folklore of American business that small business trains and develops young men, and of course to be trained and developed in a small business is indeed the best preparation for a young businessman. But the number of young men who are fortunate enough to be so trained and developed is, unfortunately, not very large. It is certainly not large enough to provide for the perpetuation of the small and



"I want to go with the small firm but I don't see how I can afford it"

medium-sized businesses—let alone to yield a surplus for big business to draw from.

In fact it is big business today that goes in for systematic development of younger men. The hardware company in which four aging, if not old, men do all the executive work, may be an extreme but is unfortunately not an untypical example of the small-business situation.

The small businesses must realize, too, that they cannot hope to get their top-management of tomorrow out of the big companies. The big companies will need all they raise. Furthermore, in the light of our tax situation, the small company has little to offer to the successful younger man in the big company. One hears a great deal of complaining today that our younger men lack enterprise, that they prefer the security of a bureaucratic job in big business to the excitement and challenge of being in business for themselves.

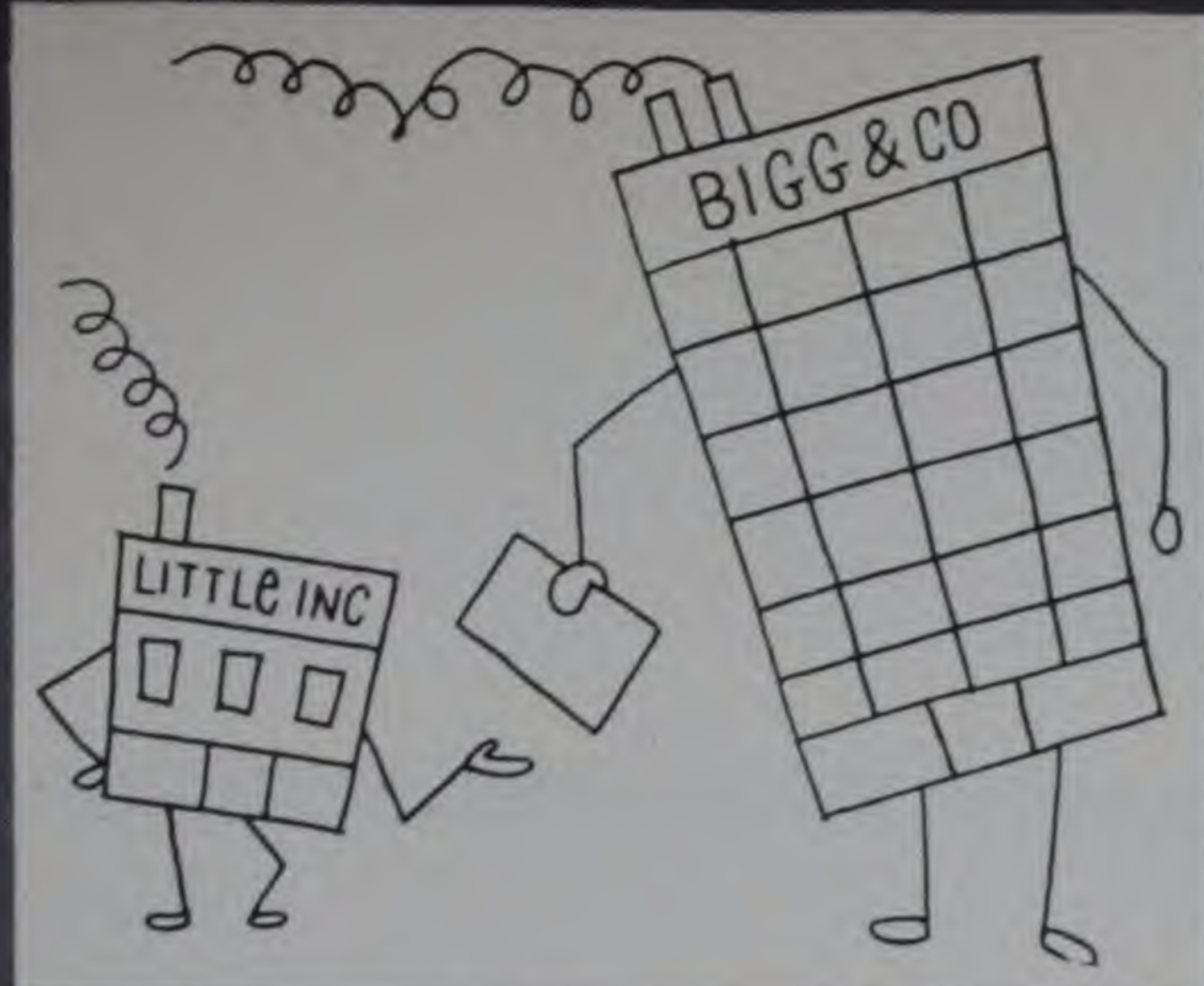
But considering that the small business today usually offers neither the rewards of successful entrepreneurship nor the training and development as a manager, what else can a young man do but take the job with the big company, especially if he lacks the capital to go into business for himself or to buy into an existing company?

The lack of managers for small and medium-sized business is thus not likely to diminish because small and medium-sized business needs management just as much as big business. (Sometimes I think even more.)

COMPARED to these two diseases—the tax squeeze and the lack of managerial talent—the third disease is largely unpublicized and unnoticed: the dependence on one product or on one or two customers.

Yet, as far as one can tell, it accounts for as many victims among small or medium-sized businesses as either of the others.

I was made aware of its dangers more than 20 years ago, when I was a young analyst in an investment banking firm. One of the bank's clients, a fairly large manufacturing company, had asked the bank to look into a small business the client was considering buying and my boss had turned the assignment over to me. I was much impressed by what I found and firmly convinced that the client should be advised to buy the company. But when I reported back that the company



**The sales that come automatically
you can easily lose automatically**

was financially strong, that its earnings record was exceptionally good and that its position in its market was so strong that it sold its product "almost automatically," my boss interrupted me:

"Pete," he said, "of course you will advise the client against buying this company."

When I looked startled, he added:

"Don't you know that the sales you get automatically you are also going to lose automatically?"

Among investment bankers, I later learned, this has been a proverb for a long time. I have heard it ascribed not only to Pierpont Morgan but even to the original founder of the Rothschild dynasty almost 200 years ago. Among other businessmen, however, and especially among manufacturers, it seems still unknown.

How else can one account for the many cases in which a business dies on the vine because it developed nothing new but kept relying on the one product with which it started and grew? That product was, of course, originally a new product for a new market. It took ingenuity, persistence, imagination and hard work to develop it and to make it successful. As it became successful that new product often took the place of



**Reliance on one product has caused
many companies to die on the vine**

an older, once well established product and forced it out of the market. Yet it rarely seems to occur to the people who have built their business on such a single product that the same fate might overtake them unless they themselves develop tomorrow's new product.

It is even more dangerous to rely on one or two customers. This was dramatically shown last year when an auto manufacturer lost sales sharply. To recoup its position the company began to make a good many parts and accessories it had formerly bought. Dozens of companies—and not only small ones—lost overnight between 25 and 100 per cent of their market. Yet for years auto company executives had been warning their suppliers against complete dependence on their company. The fact that the auto maker would sooner or later be forced to make its own parts and accessories had been discussed in the industry since about 1936. Despite all these warnings a great many suppliers were caught unprepared. Some may never recover.

What to do:

- ▶ Take preventive action early
- ▶ Study management set-up
- ▶ Try research and education

WHAT CAN a small or medium-sized company do about the three diseases which account for most—perhaps for all—of the unnecessary business mortality? The diseases are almost incurable once they have hit a business. But they can in large measure be prevented.

This is true even for the tax problem, both in respect to the impact of estate taxes on the privately held business and its owners, and in respect to the impact of income taxes on tomorrow's supply of executives.

Of course, the real answer to the tax problem will have to come from a reform of our tax laws. Such reform is long overdue because a tax system that endangers the survival of the small and family-owned business, and that all but dams up the opportunity of the able young man without inherited wealth to develop into an owner and an entrepreneur himself, is a tax system that goes counter to the needs of our economy, the beliefs of our society and the demands of ordinary morality.

We cannot even pretend any longer that the problem will be solved anyhow when tax rates go down again. By now most businessmen have realized that (no matter how much we can cut governmental expenditures) tax rates much higher than anything we ever imagined before World War II are going to be with us for a great many years.

Still, the individual business can do an amazing amount to counteract, if not to offset, the tax system's threat to its survival. What has to be done differs from business to business.

It requires expert advice and a businessman must realize that there are no easy solutions. There are only more or less complicated, more or less difficult, more or less reliable makeshifts.

Two rules, however, apply to all businesses that would try to find a way to survive despite the tax squeeze.

An experienced tax lawyer of my acquaintance sums up the first as follows:

"I can help a small business overcome the threat of estate taxes. I can help it, though it's tougher, to overcome the tax hurdles that stymie younger management-successors today. But I can do that only if the

business has ten years or so to work out its difficulties.

"If the owners come to me before they are 50 I can help them think through their long-range tax problems! But they wait till they are 65. By then all I can tell them to do is to sell out. It's too late to save the company itself."

The second rule is that a business must choose between getting all the possible tax benefits now, and survival despite the tax system. It can't as a rule, get both.

"The number of businessmen," the same tax lawyer once said to me, "who are willing to go to fantastic lengths to save five dollars on their 1954 tax return, always amazes me. Even more amazing is how few of them realize that the very tax gimmicks that save them a few dollars now might endanger the survival of their company and the integrity of their estates in ten or 20 years. Fewer even seem to care about the long-range consequences."

Tax planning for business survival and managerial succession is possible, in other words. But it must be planned before the emergency arises; it's too late once the emergency is here. And, like all insurance, it costs something today to get the protection tomorrow. Finally, it's an expert's job.

BUT THE PREVENTIVE JOB in respect to the other two diseases—the lack of scope and opportunities for younger men, and the blind reliance on one product or one customer—the businessman can administer himself. The medicine costs little, if anything. It will in a great many cases mean immediate gains for the business in terms of higher sales or better profit margins.

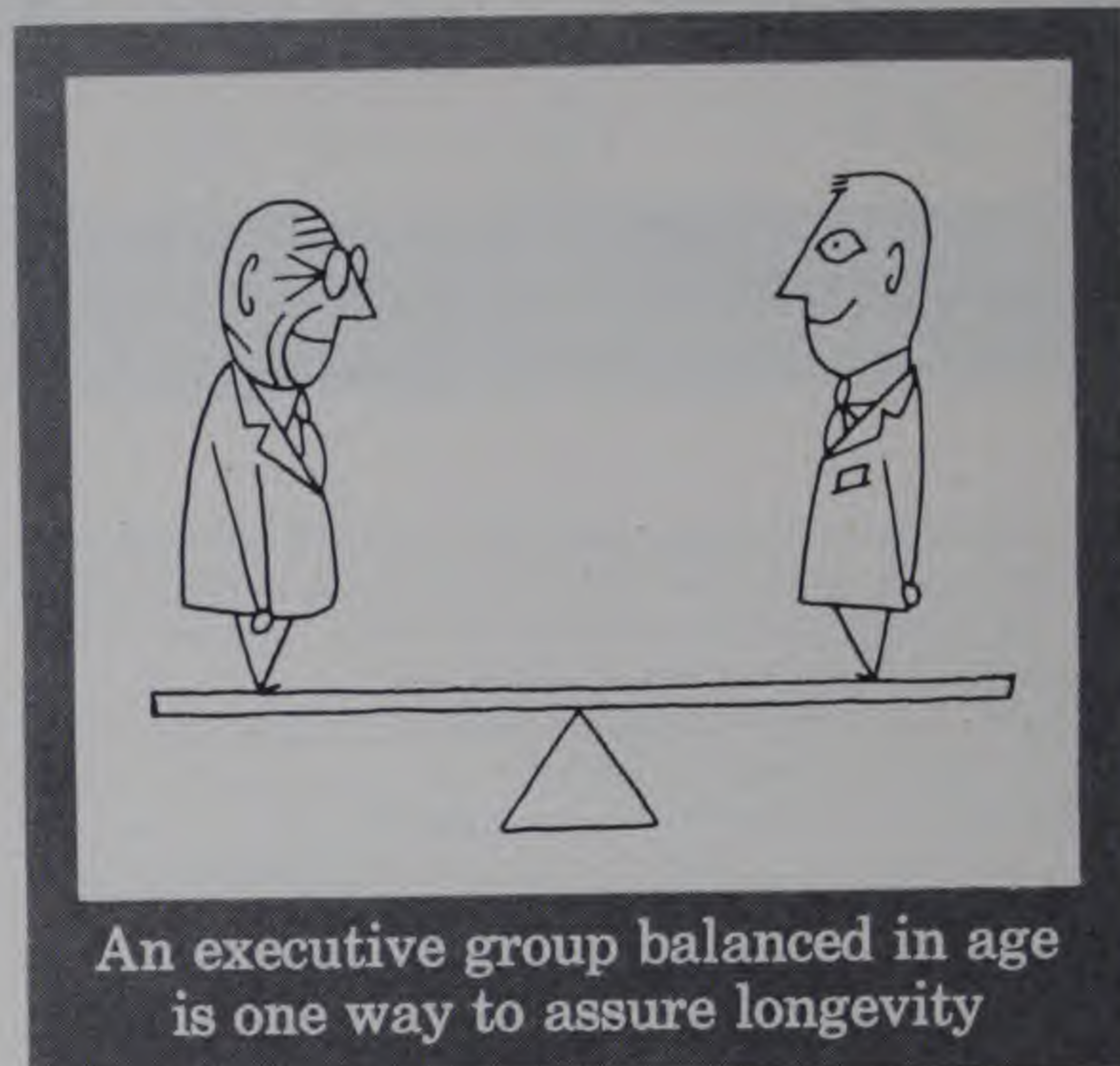
Observance of a few simple rules will go far toward preventing small-business decay because of lack of executives. The first of these is to make sure that the executive group is balanced in age. An executive group that is all of one age is a danger and one that is uniformly young may be a greater danger than one that is uniformly old. Not only will a uniformly young group be uniformly old together 30 years hence, but during that entire period there will be few opportunities for new and younger men to get anywhere in the company, few inducements for able men to come in or to stay.

One company I know has solved the problem, simply but brilliantly. It was started ten years ago by two

young engineers who had met while in the service during World War II. The company has grown rapidly since, though it is still a small company employing about 250 men.

The two young men are still well under 40 themselves. But every one of the three men they have brought into their top management group is older. Their sales manager is 48.

When they needed a manufacturing manager they brought in a man who had been superintendent in a large company and was moved out into a staff position when his plant was reorganized. He is 58.



As their financial man they hired a brilliant man of 65 who had just been retired as divisional comptroller by their largest competitor.

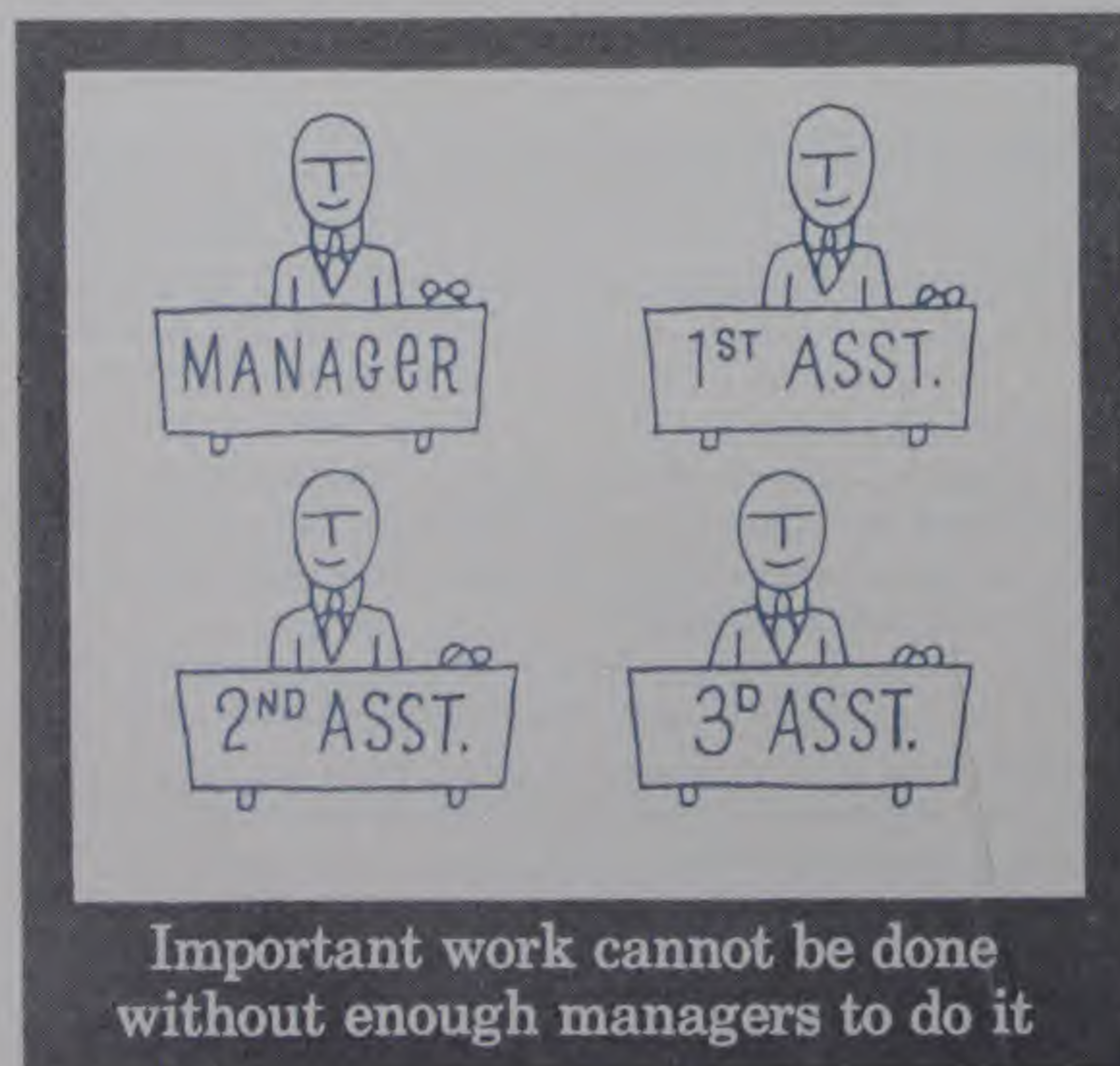
This way, the two owners point out, they will have a major job for a much younger man every eight years or so.

By the time the two owners have reached their 60's, three or four tested and trained men should therefore be ready to take over. By that time, in turn, the owners' still very small children should at least be ready to take over the second-level jobs in the company, having had ten years of job experience in junior-executive positions.

The second rule is to make sure that the company is not understaffed managerially. It is simply not true in the great majority of small and medium-sized companies that the work is adequately done by a small number of people at the top. Indeed, in most of these companies I have seen or heard of, important and profitable work is simply not being done because there are not enough executives to do it.

One example is the company that did a small volume of selling direct to institutions while concentrating the bulk of its sales efforts on jobbers. The institutional selling was done by almost everybody in top management—but as a side line. The president handled a few institutional accounts. So did the treasurer. So did the sales manager, but nobody really paid any attention to the institutional market. Then, simply to find a job for a younger brother, institutional selling was split off and set up as a separate job.

Though no one claims that younger brother is a sales genius, institutional sales, once they were given attention, increased so fast that they now account for



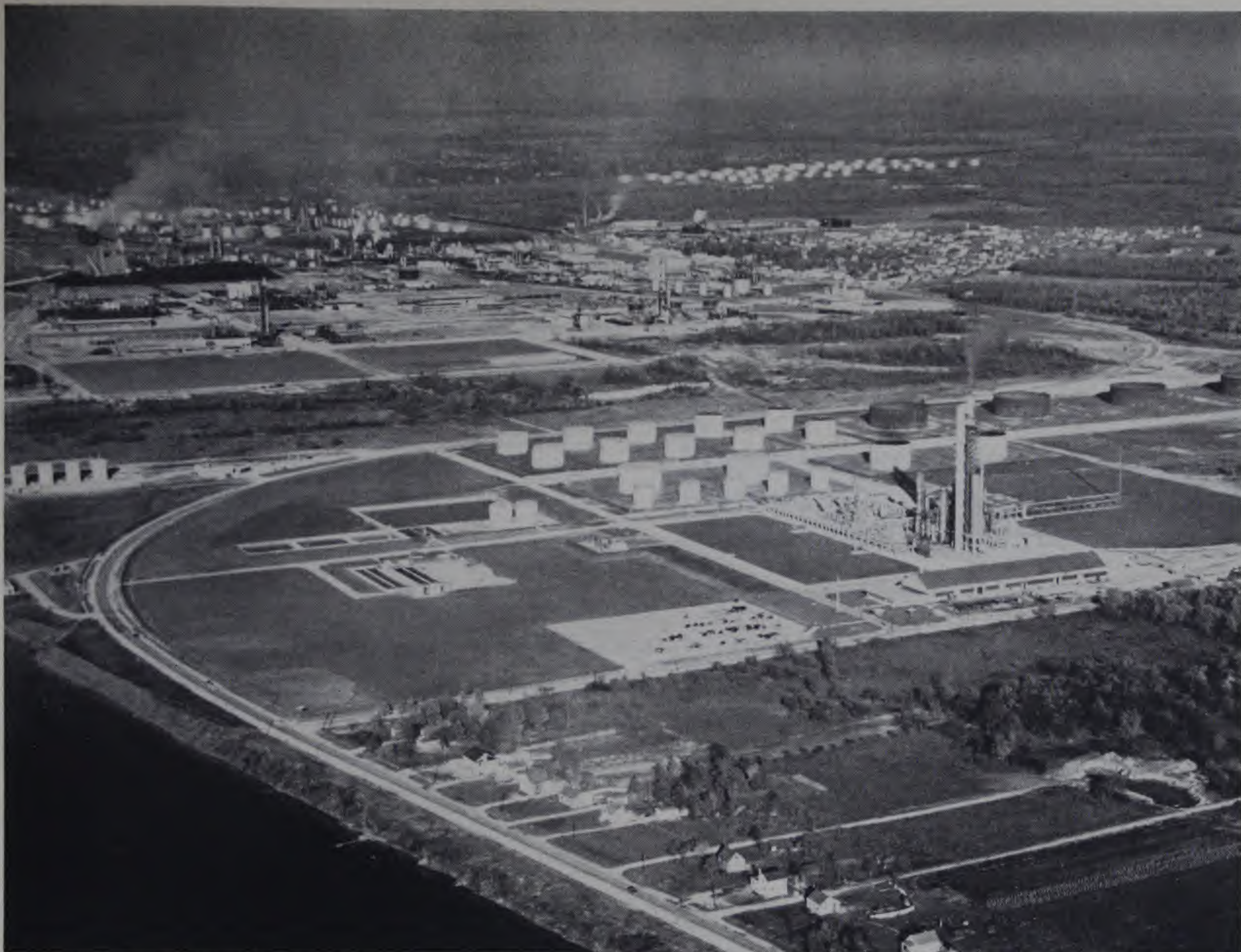


PHOTO BY PAISLEY, SARNIA

SARNIA... international crossroads for industry

One of the fastest-growing of Canada's industrial centers is Sarnia, Ontario. Sarnia lies at a natural crossroads, where the rail system of the Chesapeake and Ohio enters Canada across the St. Clair River, a part of the world's busiest waterway system. Thus Sarnia enjoys exceptionally good transportation, both by rail and water, to all parts of North America.

Other attractions are an unlimited supply of good water for industrial use and nearby sources of salt, natural gas and other raw materials.

For twenty-two miles south from Sarnia, the C & O runs close to the shore of the St. Clair River, providing many excellent industrial sites.

Completion of the St. Lawrence Seaway will bring deep draft ocean shipping directly to this waterfront and extensive development of this whole area will be accelerated.

Principal Industries of Sarnia

POLYMER CORP., LTD.
 IMPERIAL OIL, LTD.
 DOW CHEMICAL OF CANADA, LTD.
 ELECTRIC AUTO-LITE, LTD.
 HOLMES FOUNDRY, LTD.
 MUELLER, LIMITED
 FIBERGLAS CANADA, LIMITED
 CANADIAN OIL REFINERIES, LTD.
 SARNIA BRIDGE CO., LTD.
 CATALYTIC CONSTRUCTION
 OF CANADA, LTD.
 BELTON LUMBER COMPANY, LTD.
 SIFTO SALT LIMITED
 CABOT CARBON OF CANADA, LTD.
 SUN OIL COMPANY, LTD.
 CHEMICAL VALLEY
 FABRICATING CO., LTD.

Let the C & O Industrial Development Department prepare a Pin-Point Survey of the Sarnia area based on your site requirements. Write, in complete confidence, to: Chesapeake and Ohio Railway, Industrial Development Department, Cleveland 1, Ohio.

Chesapeake and Ohio Railway



SERVING: VIRGINIA • WEST VIRGINIA • KENTUCKY
OHIO • INDIANA • MICHIGAN • SOUTHERN ONTARIO



Advanced management education can benefit small firms tremendously

one third of the company's business and a larger share of its profits.

Other examples of typical situations where important and profitable executive work simply was not being done because "we can't afford to hire another executive," or because "we have hardly enough work around here to keep the four of us busy," are: the metal-fabricating company in which the manufacturing manager also was supposed to run tool-making, tool-maintenance, purchasing and industrial engineering; the wholesaler, where the sales manager also handled warehousing and shipping, even though freight charges and storage costs in that particular industry are so high as to make all the difference between profit and loss; the company making industrial chemicals, in which the comptroller on the strength of his having majored in chemistry in college 30 years ago, was supposed to be in charge of research.

But the examples are less important than the principles:

Important work can almost never be done successfully on the side.

If it is done there is a strong suspicion that the company would save money, or make money, by having it done full time.

Application of this rule is almost certain to open up opportunities—and challenging opportunities at that—for younger men among whom tomorrow's management could be recruiting.

In addition, the stimulation, challenge, and development which today's young people complain they do not get in small or medium-sized business can be supplied. It is actually easier in a small business to keep the management group informed about what goes on, to bring younger people into management's counsel and to give them special assignments. It is even easier to broaden their jobs—often even easier to rotate them.

Finally, small and medium-sized business could derive tremendous benefit if it used systematically the many opportunities for advanced management education now existing at almost every important university, at the American Management Association and at many other places.

These educational opportunities range from three months' courses to one-day seminars, from very expensive to free. They cover all kinds of business subjects. They are being held in big cities and in country resorts, summer and winter. They have but one thing in common: Small business doesn't use them.

Yet, these opportunities are tailor-made for the needs of small business and especially the training, development and stimulation of the executives in small business.

OVERDEPENDENCE on one customer is both the most easily diagnosed and usually the most easily cured of all the small-business diseases. An experienced marketing consultant who specializes in the problems of small and medium-sized companies always asks three questions:

"Do you have any customer who is so important to you that his sudden loss would convert your profit into a loss?"

"Do you have any important customer whom you wouldn't be sure of retaining were the man who now sells him to die, to retire or to leave?"

"Do you have any important customer whom you wouldn't be sure of retaining were the man there who purchases from you to die, to retire, or to leave?"

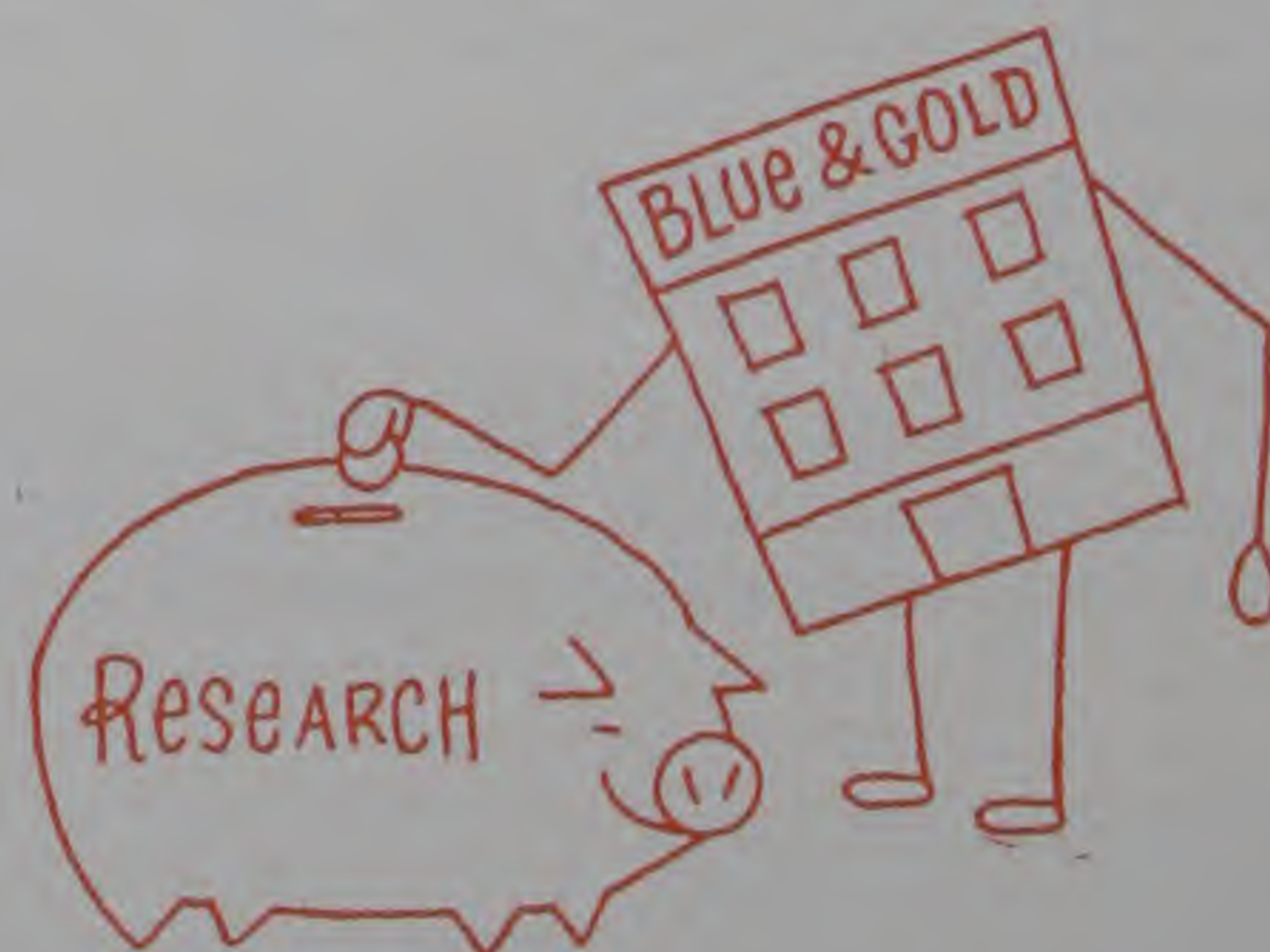
If the answer to any one of these three questions is a "yes," or even a "maybe," he considers the company overdependent on a customer.

"There is only one remedy," he concludes. "That's to broaden the company's market. In a company which is overdependent on one or a few customers this is actually a job to which top-management should give full attention. I have never seen a company that was overdependent that did not get hit, and hit hard, sooner or later.

"I have also never seen a company where real hard work on broadening the market and on expanding the number of customers didn't bring significant results—provided the job was started before overdependence has led to dangerous loss of sales."

MORE COMMON even than overdependence on one customer is overdependence on one well established—that is old—product or product line. This is much harder to escape or to overcome.

It isn't just managerial inertia that accounts for it—though there is of course a lot of that, too, especially in businesses where the whole management has been allowed to grow old with the product. But new products often require research and, as small businessmen point out, they have neither the money nor the men for extensive research work. They often require a good deal



Ten per cent of income invested in research means new products, new life

35 million Ozalid copies of invoices—in 1955!



*...which represent more than a million hours
of payroll time saved in a single year...
plus expedited order filling and billing*

Is it any wonder that every year more and more firms resort to Ozalid — to speed and simplify order filling, reduce errors, save time and work in invoicing or billing... and substitute for scarce clerical workers.

The Ozalid system starts with a translucent order form, written or typed. On the order form are entered prices, terms, discounts, stock serial numbers, specifications, delivery instructions, and any other required data.

Then Ozalid copies of the order are used for order filling, customer confirmation, shop or shipping instructions, packing slip and delivery order; and sent to credit, accounting, inventory control, classification records. And Ozalid copies also serve as invoices. *One order, written once, suffices for every step of the operation!*

Ozalid copies are made easily, quickly, cheaply. Just lay the translucent original over sensitized paper, and feed into an Ozalid

machine. Ozalid will copy anything written, typed, printed, drawn. An Ozalid copy is made in less than a minute, and a letter size sheet costs less than 1½¢.

Ozalid reproduction is instant, clean, dry — no photography, developing tanks, dryers, machine cleaning or messy maintenance. And anybody can use an Ozalid machine.

You can also Ozalid copy letters, reports, bulletins, statements, ledger sheets, records. For cumulative records or statements, add new entries on the original; and Ozalid copies serve as current reports.

Ask the nearest Ozalid distributor (*see phone book*) to show you how Ozalid can reduce work and costs for your company. Or write 94 Ozaway, Johnson City, N. Y. In Canada, Hughes Owens Co., Ltd., Montreal.

OZALID — A Division of General Aniline & Film Corporation • *From Research to Reality!*

OZALID



OZAMATIC (left) is a table model, handles sheets as wide as 16", and can make up to 1000 prints an hour.

BAMBINO (right) is the smallest, fastest, low-priced office copying machine; will make 200 copies an hour, on sheets as wide as 9", for less than 1½¢ a copy.





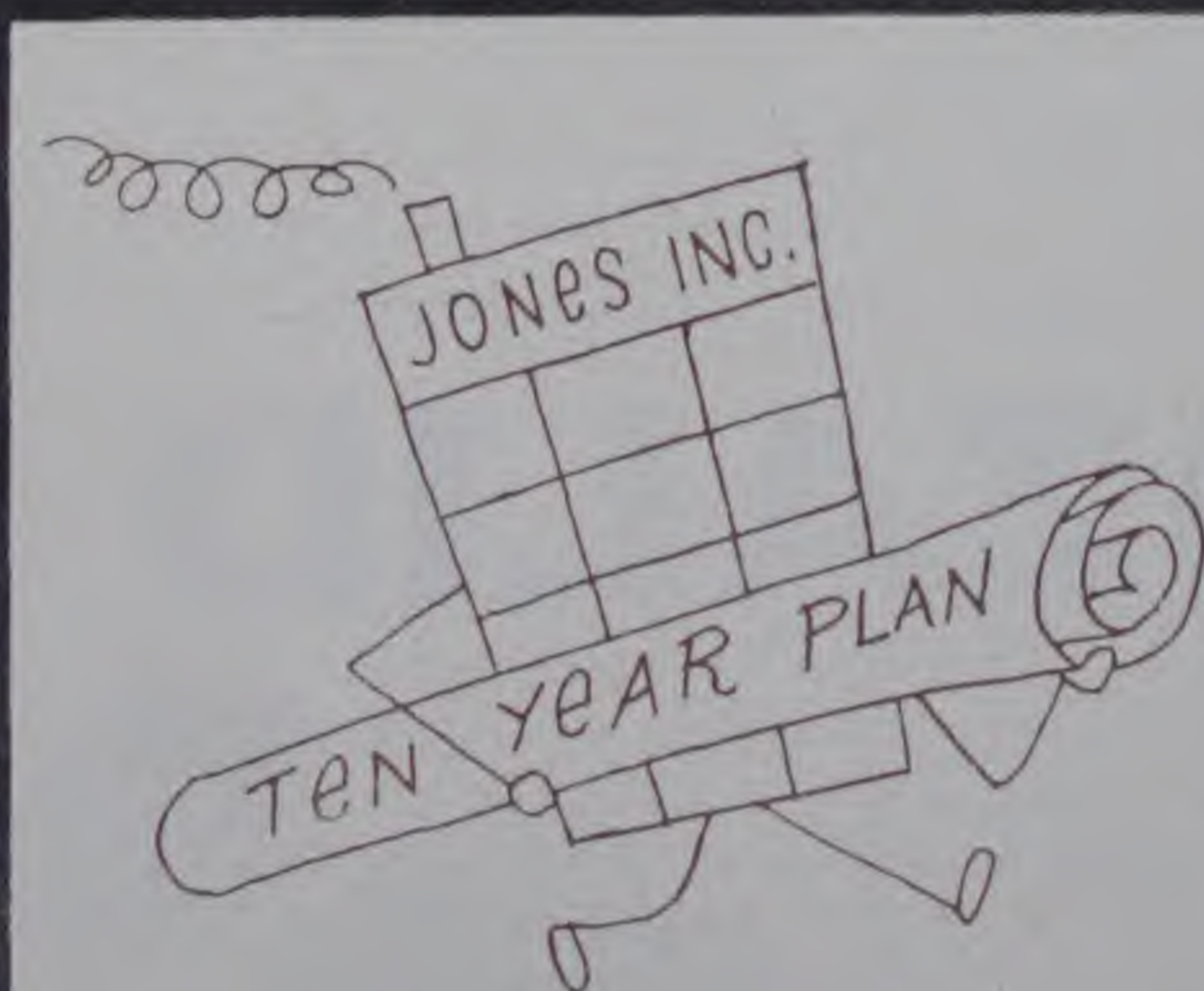
Time to worry about tomorrow is while today's product makes money

of market research, too. This is equally expensive in terms of money and men. Furthermore, to introduce a new product, however well planned it may be, is both risky and expensive.

Yet enough small businesses successfully do the job to show that it can be done. Indeed it can be done more easily today than in the past. The past 20 years have seen a phenomenal growth of research organizations; commercial firms operating for profit, non-profit organizations such as Southwest Research Institute in San Antonio, Texas, or Stanford Research Institute in California, or research outfits for industry attached to universities. Similarly, there are today a good many places to which the small business can take its market-research problems and get expert help for a reasonable fee.

The pretesting of a new product remains a major job and a major expense. But at least the work that goes into analyzing the existing product line, finding the need and opportunity for a new product, developing a new product and testing it in the market, can largely be farmed out for a fraction of the cost the small business would incur were it to do all these things itself with its own people.

DRAWINGS BY CHARLES DUNN



Threat of estate taxes can be met if a start is made early enough

Even where there is no way to lessen the financial burden and risk, planning to bring out new products with some regularity should be a must, especially for the small business. This at least is the belief of every successful head of a small or medium-sized business I have talked to.

One man who took over a dying company eight years ago and turned it into a growing and profitable business puts his philosophy in these words:

"Far too many small businessmen believe that you don't have to worry about new products as long as the old one makes a lot of money. They are dead wrong. That's just the time to worry because that's the time when you can do something and have the means to plan tomorrow's products.

"Wherever we have a product that is really doing well we lay aside ten per cent of the income from it to invest in market and product research, to test new ideas or modifications of old ones; to find and develop new markets.

"Of course we don't throw that money out the window. But we don't shed any tears either if we lose it. We figure that we are going to be well ahead if only one out of every seven or eight such projects pays off—and our ratio is actually a good deal better."

How much a business should plow back into developing new ideas and new products will vary from industry to industry, and from business to business. But the principle of worrying about tomorrow's product while today's product is making money is sound. It should be applied particularly when today's product looks good forever; surely that's how their product must have looked to the buggy-whip makers when young Henry Ford rolled the first Model T down the assembly line.

FINANCIAL and tax planning, planning of executive age-balance, planning of markets and products may appear to be heavy additional burdens to ask small business management to undertake. But every one I know who is at all familiar with the problems of the small and medium-sized business believes that the majority of these companies could continue to live and prosper if the men at their heads would only spend on preventive planning a fraction of the imagination, care and work they spent on building up the business in the first place.

What the experts think was best summed up by a leading banker in an Ohio industrial city—a man who has been friend, father-confessor and adviser to countless small businesses and their owners:

"I know," he said, "how the surgeons in the accident ward down at the hospital must feel when the highway casualties are brought in Saturday nights: frustration at being unable to do much more than make the patient's last hours a bit more comfortable; rage at the needless waste and destruction of so much that could live constructively and productively; and sadness when I ponder what might have been had these friends of mine only started to think about the future of their business a few years sooner."

END

REPRINTS AVAILABLE

Reprints of this article may be obtained for 10 cents each or \$10 per 100 including postage. Order from the Business Manager, Nation's Business, 1615 H Street N. W., Washington 6, D.C.



From "American Automobile Album" by William H. McGaughey

No one cranks an automobile these days

... but many still hand-crank calculators ... spending time that would soon pay for a high-speed, automatic **MARCHANT**

If you're still doing part of your figurework with hand-operated or outmoded electric calculators, you owe it to your business to learn just how much time and effort new automatic MARCHANTS will save you. Anyone in your office can use them at once, with ease, speed and utmost accuracy. Call the local MARCHANT MAN and find out by an actual run on your own work, just how quickly MARCHANT calculators would pay for themselves.



High-speed,
automatic MARCHANT
Figurematic



MARCHANT AMERICA'S FIRST
Calculators

YOU CAN TURN TIME INTO MONEY WITH A MARCHANT!

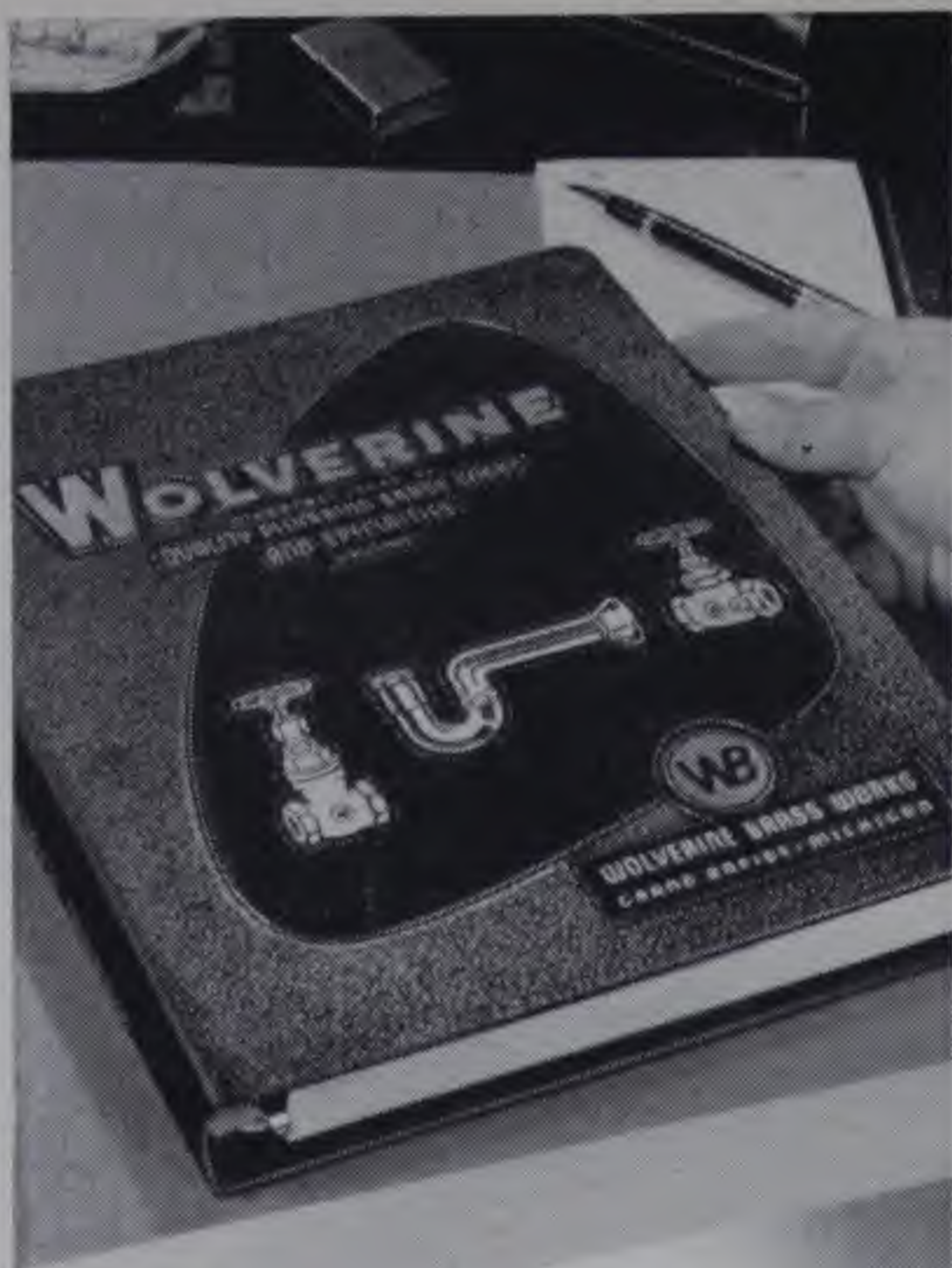
SEND
THIS
COUPON!

Learn how MARCHANT calculators can turn out your business arithmetic easier and faster ... at a saving. Mail this coupon with your business letter-head for free ...

Index to Modern Figuring
by Marchant Methods ☐

Descriptive Literature on
Marchant Calculators ☐

MARCHANT CALCULATORS, INC.
Oakland 8, California



Your Catalog Becomes a Powerful Selling Tool in **HEINN** Loose-Leaf Binders

Your sales volume increases when Heinn Binders add sales appeal to your catalog and Heinn-designed indexing stimulates *buying action* by giving facts in three seconds. Years from now, when ordinary binders are worn out, your Heinn covers will still be a credit in appearance and performance.

Heinn custom-styles loose-leaf binders to meet *your* sales need. Because the emphasis is on ideas, uncompromising standards and service, Heinn attracts customers whose names alone are recommendations. For proof of the satisfaction that Heinn delivers, consider the *repeat orders* that keep coming in...some from companies Heinn has served for 40 years!

New...

"Facts at Your Fingertips," the booklet that simplifies catalog planning. When writing for your copy, please indicate your needs in binders and indexes.



THE HEINN COMPANY

324 WEST FLORIDA STREET
MILWAUKEE 4, WISCONSIN

ORIGINATORS OF THE
LOOSE-LEAF SYSTEM OF CATALOGING
LEADERS SINCE 1896

HOW TO PLAN PROFITS

continued from page 41

walls of specialization, to open channels of communication, to tap every executive's particularized knowledge as a contribution to the common fund, he set up five new boards (Research, Budget, Manufacturing, Sales, Product Review). They were superimposed upon the regular staff and line organization as advisory and supervisory agencies. They not only gave birth to the Bell & Howell variant of strategic planning but became its central instrumentality. The steps taken to launch a small home movie camera in 1953 exemplify the success of this board system.

In the drive to diversify, Bell & Howell had assigned University of Chicago and McCann-Erickson market researchers to conduct motivation studies on the home movie camera market. These showed that 78 per cent of U. S. families wanted to have home movies and desired some day to own an outfit; that only ten per cent of the potential prospects aspired to be photographic experts; that 90 per cent were primarily interested in pictures of Junior or travel and vacation shots, usually featuring Junior; that many people hesitated about home movie making because they thought the apparatus too complicated and expensive.

The Research Board, to which every new product idea (an average of one every 45 days) is submitted, assessed these findings. The Board includes Mr. Percy, the executive vice president, the treasurer, the vice presidents of engineering, manufacturing, merchandising, the head of product planning, and an assistant vice president in charge of tooling. They agreed that the survey results apparently offered one answer to the search for openings in the mass market. It was obvious, however, that more recently married couples who were producing most of the poppets generally lacked purchasing power not only for deluxe equipment (up to \$2,000 and more) but also for anything selling for several hundred dollars, or even \$100. The price had to be around \$50 to conform with pocketbook requirements and meet competition.

Back in 1939, when labor was 49 cents an hour, the company had brought out a small home movie camera at \$49.95 but had not pushed it very hard because of its preoccupation with the luxury side of its business. A dozen years later, then, with labor at \$2.00 an hour, the prob-

lem was how to produce a better product that would still retail at \$49.95.

There was also the danger that to offer a commodity so low priced in terms of the company's tradition would impair its reputation for quality. To get around this dilemma, the Research Board—in giving the green light for developmental work—ruled that ingenuity and mass production could be used to simplify but not to cheapen.

Work began in shirt-sleeve evening sessions with merchandising vice president Carl G. Schreyer and his aides sitting down with design, optical and engineering specialists in a conference room where all competitive makes were spread out on the table.

"The first thing a customer does," Mr. Schreyer explained, "is to look through the view finder. So ours has to be the biggest and brightest. We've also got to overcome the customer's fear that he can't operate it unless he's an M. I. T. graduate. We're not making this one for the professionals or the perfectionists who love attachments, refinements, gimmicks. The people we're after just want to press a button."

"But," protested one designer, "you're asking for features you don't begin to get even in a \$90 camera."

"Of course," said an engineer, "if you would be willing to settle for a single speed instead of several, we might be able to pare some of the cost..."

Similar discussions continued for seven months from first sketches to detailed models as every department had its say at every stage in the evolution of the new camera. Production experts in particular sweated it out to comply with such added sales specifications as "women must be able to dial a movie just as they do an electric mixmaster or TV station"—"putting on film spool has to be easier than putting in a new typewriter ribbon"—"appearance has to be rugged and durable."

When the Research Board received the pilot model, it was accompanied by cost estimates worked out by engineering and reviewed by the Manufacturing Board composed of the vice president for manufacturing, the head of production engineering, and the superintendents of the various production subdivisions.

These estimates covered everything from the wages of indirect labor to savings in the fabrication of parts to be attained, for example, by a shift from stamping to the use of powdered metal. Spelled out in detail

was just where the multimillion dollar outlay required for new conveyer belts, automatic spindle screw machines, and other facets of a massive tooling, would have to go. This vast new investment had been, in turn, approved by the Budget Board (president, executive vice president, treasurer, comptroller).

It had also urged that this new capital equipment be financed from accumulated earnings (Bell & Howell regularly plows back 60 per cent of profits into the business). It had, moreover, fashioned an experimental 18 months' budget for the manufacture and sale of the new product, assigning to it an earnings expectancy within the framework of the five year plan (1949-1955).

The Research Board, in evaluating all data, agreed that the whole venture was a calculated risk and could incur heavy losses but that it was worth trying.

It was further decided that it would be unwise for Bell & Howell to produce its own color film. It would have entailed a huge extra outlay on the chance of equaling, let alone surpassing, existing brands such as Eastman, for example, which subsequently was to make as much, if not more, money from the sale of color film for the new Bell & Howell camera as the latter company was to make from the camera itself. When these policy points were disposed of, the Research Board signaled full speed ahead on production.

As soon as the new camera was being shipped the Sales Analysis Board, executive vice president, vice president of merchandising, the heads of purchasing and market research began to keep watch on what was happening—as it does in the case of all company products. It made sure that sales and production were synchronized and back orders cleaned up. It scored the performance of the new camera against anticipated revenues and budget allotments. It gathered and presented all statistical evidence in graphic form every week to facilitate both current check-ups and the plotting of sales curves first for 12 months, next for 15 months, and then for five years.

The new push button camera surged to the summit, in its class, but not before the company overcame a significant flaw disclosed during the first weeks. The door latch was so hard to open that women were breaking their fingernails on it. This was typical of the problems that are routed to the Product Change Review Board (engineering, quality control, other production personnel). It devised a new lock.

The board system of participation



Everybody knows where Grant's Tomb is...but

do prospective buyers know where to find the local dealers who sell your products?

There's no better way to bridge the gap between national advertising and the retail sales level than to use national Trade Mark Service in the 'Yellow Pages' of telephone directories. Your trade-mark or your brand name is featured, followed

by a listing of the names, addresses and telephone numbers of all your local outlets.

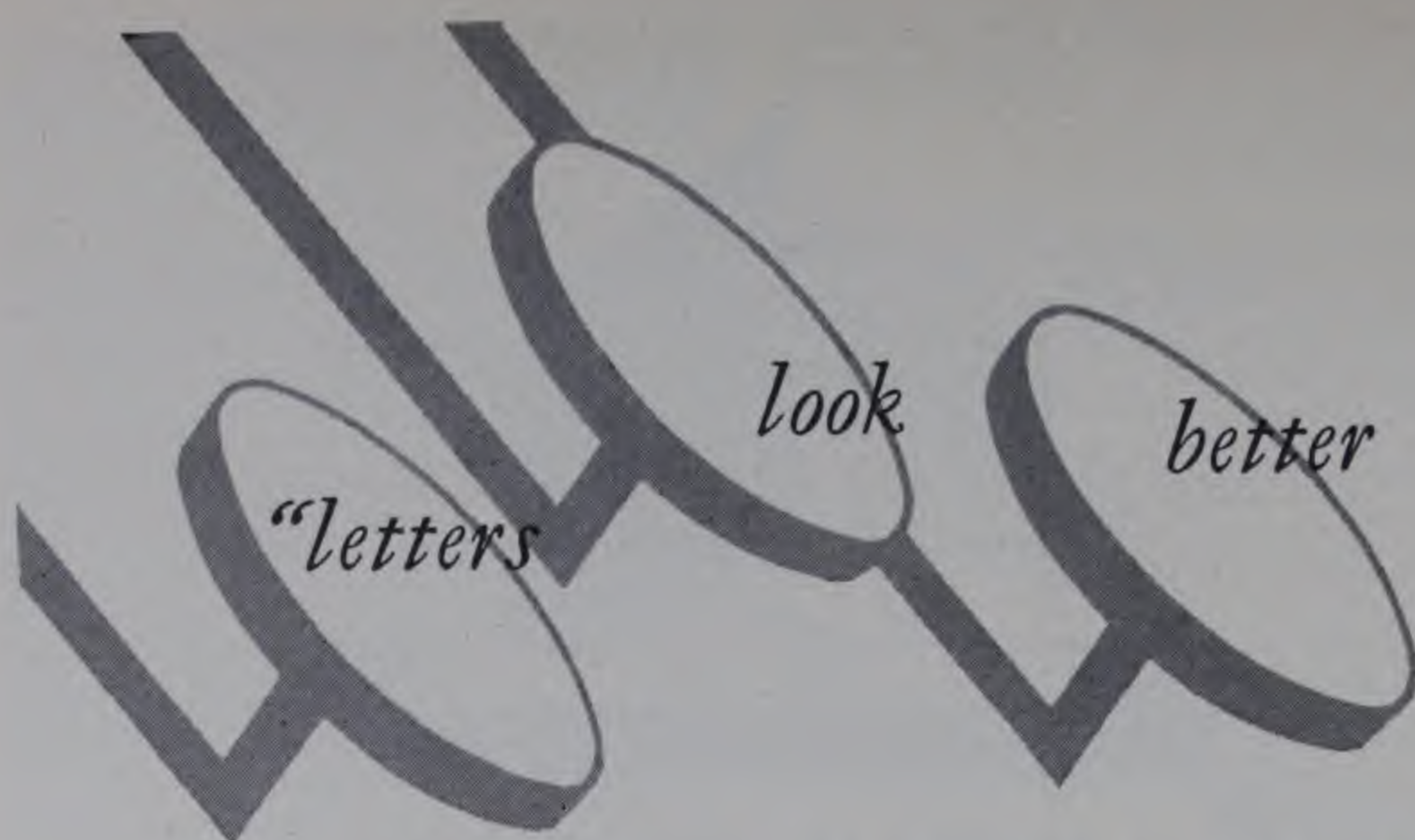
This service is available in over 44 million directories... or in selected markets. For a 'Yellow Pages' program that suits your needs, get in touch with your Trade Mark Service representative. Simply call your local Bell telephone business office.



Displaying this emblem in your advertising means more sales for your dealers.

You Will Find More Information About Trade Mark Service in Standard Rate and Data (Consumer Edition)





ON **WESTON BOND**

New Weston Bond is high in quality, low in cost. Its new brighter, whiter color will make your correspondence more impressive, your sales letters more effective. Ask your printer to use it. Write for sample book. Address Dept. NB



BYRON WESTON COMPANY, DALTON, MASSACHUSETTS
Makers of Papers for Business Records since 1863



**BURROUGHS DIRECTOR
ACCOUNTING MACHINE**



SEND THIS COUPON!
BURROUGHS CORP.
Detroit 32, Michigan

Show me what you mean about Director Accounting Machine, and let me see it in operation, too. NB-117

NAME _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

CUT
bookkeeping cost!
BOOST
bookkeeping speed!

Speed up your bookkeeping with a Burroughs Director Accounting Machine . . . and watch the savings in time and money! This machine is priced so low you can't afford to miss what it offers . . . front feed, accumulated totals, and other big machine features that mean **SPEED!** And it's precision-built to give you years of accurate, trouble-free service. We'll show you what we mean if you just send us the coupon at the left!

PROFITS *continued*

management not only encourages the cross-fertilizing of minds and skills. It also exacts careful and predictive dovetailing of many elements into a cohesive whole. Out of the trials and errors of thus fitting together men, markets and machines, the Bell & Howell version of strategic planning gradually emerged.

To make it fully effective on the human side, Mr. Percy believed that he could not depend entirely upon financial rewards which are comparatively high. Even the tonic tensions of new teamwork among and between departments did not achieve the taut ship environment he was after. He felt that a more individualistic form of psychic income had to be added. Hence, within the limits of the need to subdivide jobs and functions, he has sought to generate for all 3,200 employees the aims and atmosphere that go with owning your own business.

All vice presidents and division managers, for example, are in effect the presidents of their own companies. Each runs his own business under a hybrid arrangement in which Mr. Percy and Mr. Roberts maintain general direction checking performance against established goals. Once an undertaking is moving along, they do not intervene except to study progress reports and to consult.

The vice presidents, together with department heads and other executives, are like field commanders. Within the scope of the over-all objective, they are on their own in dealing with the problems that no strategic planning, no matter how deft or elaborate, can forevision.

Only when a project shows signs of bogging down is anyone called in to explain. If the trouble is with the planning method, or its assumptions, tracebacks lead to readjustments—sometimes a dozen in a row. If the trouble is with the man in charge, he is, 1, given a second chance; 2, transferred to some other post more suited to talent and temperament; 3, discharged. Over the past six years, a few among all personnel of administrative rank have failed to measure up to the standards imposed by this decentralization of responsibility.

The survivors are ardent converts to this policy.

"Don't think it's easy," declares R. L. Chyrchel, vice president of manufacturing. "It took us nearly three years to train supervisors and foremen to the point where they could chart expenses with the accuracy we must have. Without this close control over costs, the whole planning scheme would fall on its

face. Even so, we still have plenty of headaches but the difference is that we get them less often and they don't last as long.

"I used to be between the frying pan and the fire," he continues. "Design would come to us with a finished model we'd never seen and say 'here, make it.' Then we would hand over the product to sales and say 'here, sell it.' Then sales would be on my neck to keep them supplied—a big rush, overtime, a bunching up one month and a sudden slack off the next.

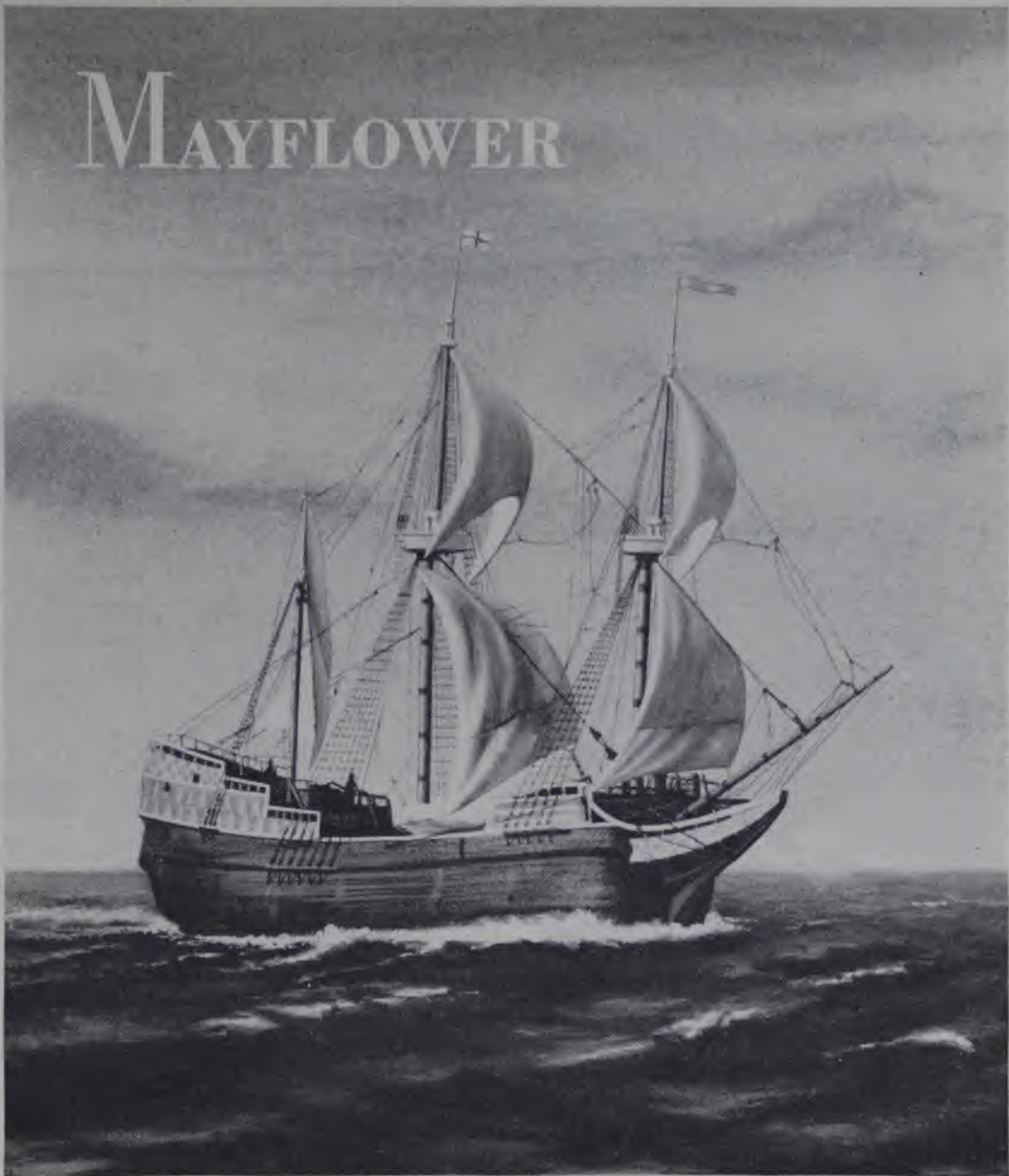
"Now we have licked the time-lag," he adds. "With everybody being in on every product from start to finish, we can tell design where a stamping will do better than a casting—and before, not afterwards. Sales now gives us a 15 month projection, surprisingly accurate. And we now know, say in July, 1955, just what specialized machinery we'll have to install in January, 1958. We can stop putting out fires, and think."

The effort to simulate conditions of being in business for yourself extends to machinist and janitor, to secretary and clerk. Wherever possible, all employees are on individual incentives with the possibility of earning a bonus up to 30 per cent above the work-load norm. Wage and salary increases are made solely on performance, never across the board. To ensure equity in this procedure, merit rating—to locate and place the right person in the right job—is not confined to the supervisor's evaluation of efficiency, attendance, safety record, display of initiative, or other factors. The employee rates himself on a form identical with that used by his immediate superior. Both ratings are sent to a wage and salary administrator who compares and scores them carefully. They are then returned to the supervisor who has to thresh out with the employee any real divergence in the two appraisals.

A punch press operator, for example, may point to the high quantity of work turned out and ask why this doesn't entitle him to a raise. His foreman may reply that the quantity is fine, but that quality is not so good.

The foreman may then stress to the worker the importance of his function as it fits into the general production scheme; point out that the worker's job is his business; urge him to consider in this light what deficient workmanship means in loss of profit to him and to everybody else.

This line of argument carries special weight at Bell & Howell where a high degree of profit consciousness derives from refinements in profit



Today . . . As Then . . . the Best Way to Move Long-Distance

● The Mayflower of today is *your* Mayflower. It's the great, nation-wide system that makes long-distance moving of household goods *safe* and *easy*. It's at your service, and at your company's service to take the work and worry out of moving. That's what you want . . . that's what your employees want. Mayflower assures it for both of you. That's why, today, so many companies rely on Mayflower for their personnel moves. Why not check your organization now to see that Mayflower is consulted whenever there's long-distance moving to be done?

AERO MAYFLOWER TRANSIT CO., INC. • INDIANAPOLIS

Mayflower Service is available through selected warehouse agents throughout the United States and Canada. Your local Mayflower agent is listed under Moving in the Classified section of your telephone directory.



*Look for this
Trademark...*

PHOTOSTAT
REG. U. S. PAT. OFF.



photographic copying equipment

You'll find this splendid equipment serving faithfully in insurance, commercial and industrial concerns everywhere, from the smallest to the largest . . . and also in federal, state, county and municipal offices, coast to coast. It sets the standard for economical, dependable photocopying the nation and the world over!

If your requirements are small or moderate, it will serve *you* well. The PHOTOSTAT Instant Copier and Model Junior machines save time and money in any office, anywhere. Or, if need be, our larger automatic models will provide the answer to your copying problems.

Together with MICROTRONICS® Micro-film equipment . . . now manufactured by PHOTOSTAT CORPORATION . . . we provide the greatest variety of fine equipment available for *copying and preserving* records of all kinds on *both* paper and film.

Let our trained sales-service representatives, coast to coast, advise and aid you. Your inquiries will receive our prompt and interested attention. Feel free to write us . . . no obligation!

PHOTOSTAT CORPORATION

297 STATE STREET, ROCHESTER 14, NEW YORK
Service offices in most principal cities
and in Toronto, Canada

PHOTOSTAT is the trade-mark
of PHOTOSTAT CORPORATION

results of **STRATEGIC PLANNING**

	<i>start of strategic planning</i>		
	1949	1953	1954
Net sales	\$13,238,116	\$29,816,408	\$40,699,495
Employees (at Dec. 31)	1,813	3,007	3,101
Earnings before taxes	\$671,585	\$2,633,531	\$3,791,551
after taxes	\$447,765	\$1,357,994	\$1,812,645
per common share	\$0.72	\$2.68	\$3.52
Dividends paid			
Preferred	\$112,776	\$99,183	\$161,333
Common	\$231,193	\$469,383	\$469,375
Total	\$343,969	\$568,566	\$630,708
per common share	\$0.50	\$1.00	\$1.00
Working capital at Dec. 31	\$9,020,632	\$12,448,831	\$15,595,516
Reinvested in the business	\$109,144	\$789,428	\$1,150,676
Stockholders' equity at Dec. 31	\$12,432,334	\$16,608,487	\$19,936,155

sharing and in the way personnel are kept informed about the company's financial affairs.

The provisions of the company's profit sharing retirement plan are generous. Twenty per cent of the net before taxes (providing that five per cent has been earned for stockholders) is set aside for the profit sharing fund and invested in securities by its trustees.

Last year this sum amounted to \$892,669, or an equivalent of an extra 17 cents an hour for all participants.

Although under one method of

profit sharing they can benefit without putting in anything, 93 per cent of workers prefer to subscribe at least the minimum of two per cent of their take-home by means of payroll deduction. They thus obtain the company's booster of one per cent of their annual compensation and a larger slice of the income from the dividends and compound interest accruing from the fund's stocks and bonds.

A participant with an average wage of \$1.85 an hour could retire after 21 years with nearly \$7,500, of which only some \$1,600 would rep-

resent his own contribution and this does not take into account his share of possible capital appreciations in the fund.

An integral part of this profit sharing is the Christmas bonus. Typically, it comes to \$350 for an employee with annual earnings of \$4,200 and six years seniority. To identify such extra bulges in the pay envelope with the role of profits as a source of employee, company and national well-being is among Mr. Percy's major preoccupations.

"We are proud of making a good profit," he asserts. "We are ashamed when we don't. And we want everyone here to feel the same way."

He has little patience with the "unwillingness of some managements to talk about profits frankly and fully and to explain their purpose in a free society." He is convinced that behavior of this kind accounts, in no small measure, for employee misgivings and distrust.

He recalls that 17 years ago, in working his way through the University of Chicago, he was on camera assembly at Bell & Howell one summer when a worker "turned to me one day holding a camera in his hand and said,

"Look at this, Chuck. The customer pays \$100 for it and I've got it figured out that it only costs the company \$15 to build. Sweet pickings, for someone.'"

For a long time, Mr. Percy says, he accepted the notion that Bell & Howell was making an \$85 profit.

"Unfortunately," he says, "the company did nothing to correct my ignorance. Sales, earnings, costs were all closely guarded secrets."

Years later when he finally saw the figures on this particular camera, he discovered that the profit margin was eight per cent. He told himself that if he ever got the appropriate authority he would see to it that employees were told the facts of profit.

When he was named president he promptly established an annual family night to be attended by all employees and their wives to get a direct report from Bell & Howell officers on the company's financial status and related topics.

From the outset, these family nights have been crowding auditoriums in Chicago where the company's main plants are located and in Rochester, N. Y., where it has a film-making division.

"After all," Mr. Percy declares, "we hold an annual meeting for our stockholders and our family night is based on the theory that people who have invested their lives in a business are just as interested in its op-



FOR THE
SMALL MAILER
QUICK SAVINGS

FOR THE **BIG MAILER**
EVEN FASTER SAVINGS

pays for itself!

INSERTING & MAILING MACHINE

How "fast" is "quick"?, you may ask. You be the judge. Because the rapidity of savings with Inserting & Mailing Machine is directly related to the volume of your mailings. But, in any case, you should save 80%. For example, one small mailer using his machine only 5½ hours a month saves 86%. His machine will pay for itself in 3 years. A big mailer saved 92%; his machine paid for itself in 7 months. One operator and this machine, in a space somewhat smaller than your living room rug, can prepare from 3,500 to 4,500 pieces of mail per hour, ready for the post office.

AUTOMATION is the answer to lower mailing costs

Inserting & Mailing Machine gathers up to 8 enclosures, stuffs them into envelopes, seals, meters postage or prints indicia, counts and stacks, all in continuous sequence without human intervention. You merely load it and push the button. The magic of automation means new savings, new profits, new mailing facility never before attainable with outmoded hand methods. You enjoy unerring accuracy and complete control.

INSERTING AND MAILING MACHINE CO.

PHILLIPSBURG, NEW JERSEY

See this "miracle mailer" in action . . . read about the amazing experience of a small mailer. Mail the coupon.

INSERTING AND MAILING MACHINE CO., Phillipsburg, New Jersey

- ☐ Arrange a demonstration in my locality.
☐ Send How Small Can a Mailer Be?

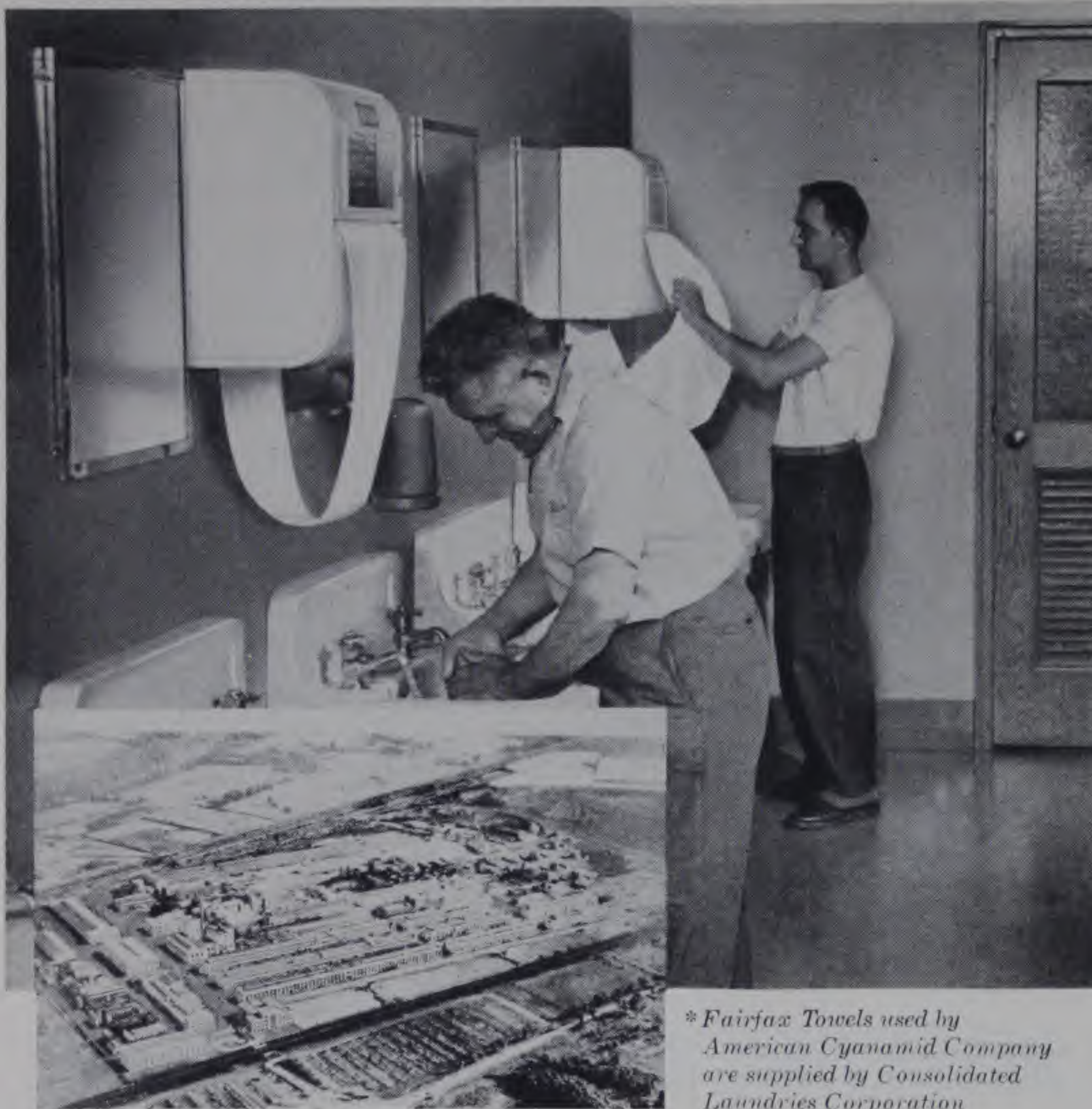
Name _____

Firm _____

Address _____

City _____ Zone _____ State _____

Cotton Towels* help maintain top sanitary conditions at AMERICAN CYANAMID



*Fairfax Towels used by American Cyanamid Company are supplied by Consolidated Laundries Corporation

• The American Cyanamid Company is one of the world's largest manufacturers of chemical intermediates for the chemical processing industries. The main plant at Bound Brook, N. J. alone houses 3600 employees; and company executives spare no effort that will help insure the safety, health and welfare of their personnel. And since the very nature of the work done at Bound Brook calls for good sanitary conditions, it's no surprise to find Fairfax towels in the washrooms.

The soft, absorbent qualities of cotton towels are really appreciated by American Cyanamid's employees. And from management's viewpoint cotton towels mean freedom from storage and inventory headaches; reduced fire hazard; cleaner, tidier washrooms, lower maintenance costs.

So follow the lead of top-flight management everywhere—give the towel job to cotton in your office building, plant or institution. Write for free booklet which explains how cotton towel service will help you. The address: Fairfax, Dept. N, 65 Worth St., New York 13, N. Y.

Here's How Linen Supply Works...

You buy nothing... your linen supply dealer supplies everything. The low cost includes cabinets, pickup and delivery, provides automatic supply of freshly laundered towels and uniforms. Quantities can be increased or decreased on short notice. Local service is listed in your classified book under LINEN SUPPLY or TOWEL SUPPLY.



Clean Cotton Towels...
Sure Sign of Good Management

Fairfax® Towels

A PRODUCT OF WEST POINT MANUFACTURING CO.
WELLINGTON SEARS CO., SELLING AGENTS, 65 WORTH STREET, NEW YORK 13

PROFITS *continued*

ration as those who have invested their money."

On these occasions, company officers "talk about profits—and never defensively." They use charts and audiovisual aids to demonstrate the employees' stake in the company's ability to prosper as well as to spell out earnings before and after taxes, and per common share; to discuss working capital and where it will be reinvested for expansion and why. Against this background they ask such questions as "How would you



like to work for a company that didn't earn good profits? Would you have a sense of job security, or feel confidence in management, or that you had a real chance for the future?"

Copies of the annual report are mailed to all employees, who are urged to query supervisors about anything obscure or puzzling. The company paper *The Finder* regularly runs information on the distribution of Bell & Howell's income dollar, from the 37.7 per cent for wages to the 1.1 per cent for depreciation, and on the government bonds and other securities purchased by the profit-sharing fund, and similar material. Company news of importance, whether a new acquisition or a new product, is first announced to employees through letters or other media before being released to the public.

Mr. Percy's emphasis on the right to know mirrors his belief that a business can continue to grow and develop only to the extent that it encourages the individual's growth and development in his work.

"I'm against dead end streets," he remarks. "When they exist, they reflect management's indifference or incompetence more than they do a lack of capacity among employees generally."

His approach to strategic planning is founded on "faith in people—in the members of our organization" and in their potentialities when provided freedom of expression, and

the opportunity to advance by improving and proving aptitude. With his overriding interest in the human being as primary asset, he reluctantly concedes that the tasks of selecting, training, transferring, weeding out and promoting executive material have to be divided with colleagues. But this is one activity he refuses to delegate entirely. At Bell & Howell the Personnel and Industrial Relations division reports directly to the president.

"It is in the area of evaluating people for management," he observes, "that Bill Roberts and I have our longest, most searching and unhurried talks. We're looking constantly for executives with the human touch who can stimulate the imagination of others.

"Nothing pleases us more," he says, "than to find that our confidence in someone is vindicated by performance. And nothing disappoints us more—far beyond having to admit our mistaken judgment, which nobody likes to do—than to learn that someone we have bet on hasn't come up to our expectations, or his own actual abilities."

Mr. Percy contends that the object of the 60 month program is not just the program itself but what it calls forth in creativity, in fresh thinking, in foresight as the product of insight,



and insight as the product of understanding, together with the striving to "beat your own game, in competition with yourself, as in golf."

Some practical results of this philosophy as applied to the company's planning for profits were embodied last year in sales of \$40,699,495 as compared with 1953 sales of \$29,816,408, an increase of 36.5 per cent; net earnings after taxes of \$1,812,645 as against \$1,357,994 in 1953, an increase of 33.5 per cent; a growth in working capital to \$15,595,516 from the 1953 figure of \$12,448,831, an increase of 25.3 per cent; a variation in expenses of only one per cent in the strategic planning budget for 1954; a ranking among the first mid-west companies in stability of employment, and a labor turnover rate less than half the national average.

—HERBERT HARRIS



movement **ESSENTIAL TO INDUSTRY**

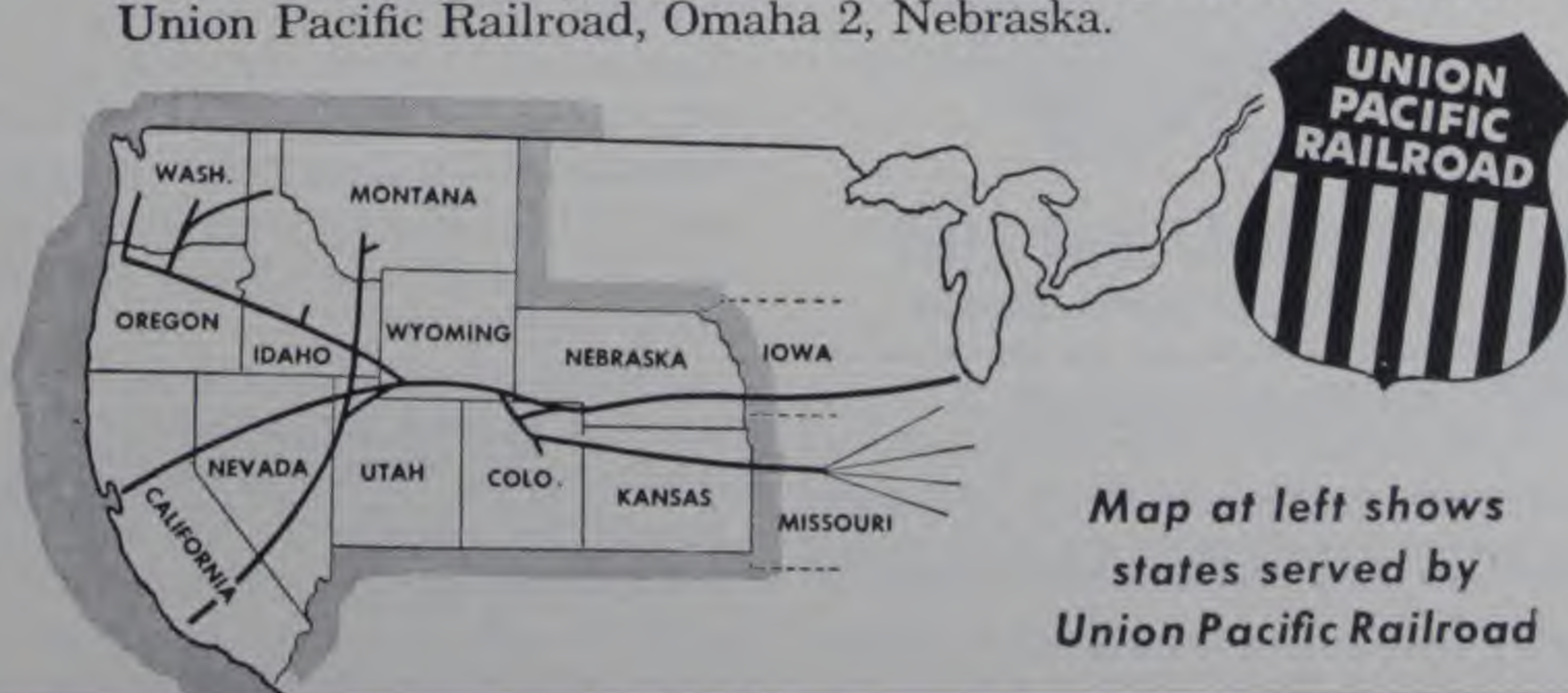
The nature of an industrial project determines its requirements but "*movement*" is always a big factor.

There's the *movement* of materials and equipment necessary for plant operation . . . the *movement* of unfinished products and of finished goods to markets . . . even the *movement* of executives on business and vacation trips.

So, in many ways, *movement* translated in terms of rail transportation, is very important when selecting an industrial site.

That's one reason why so many concerns have established plants in the "Union Pacific West" where the finest of rail service is conveniently available.

For complete and confidential information about available sites, see your nearest U.P. representative or contact Mr. W. H. Hulsizer, General Manager of Properties, Dept. 376, Union Pacific Railroad, Omaha 2, Nebraska.



Map at left shows
states served by
Union Pacific Railroad

UNION PACIFIC RAILROAD

*See
Autopoint
first*



Wonder what to give this year? Autopoint has the answer! Impressive items from 50c to \$50. With personalized imprint for a lasting reminder, or without imprint. For gifts you'll give with pride—see Autopoint first!



CORY
AUTOMATIC
PERCOLATOR



WALL THERMOMETER



CHIPMASTER

FOR A LOOK AT OUR LINE

mail coupon on business letterhead

AUTOPOINT COMPANY

a division of the famous CORY Corporation

1801 Foster Avenue, Chicago 40, Illinois, Dept. NB-105

Yes, I'd like to get information and prices on your complete new line of Christmas business gifts.

Name _____

Company _____

Street _____

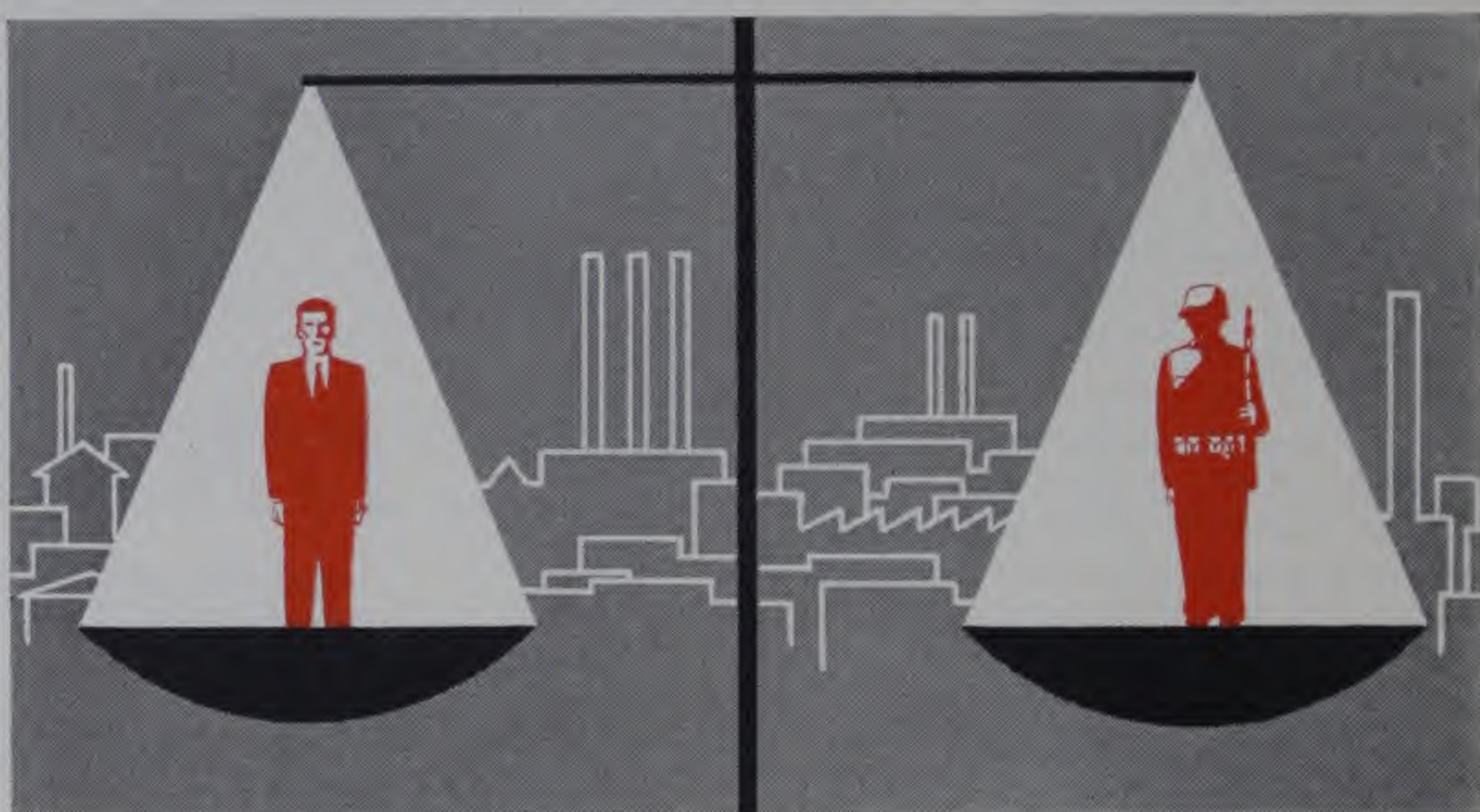
City _____ Zone _____ State _____

Please clip coupon to business letterhead.

RESERVE ACT AIDS

personnel planning

Business can make more definite manpower decisions under new compulsory military training law, but it must cooperate to solve pay, hours problems



THE RESERVE Forces Act of 1955 directly affects the nation's businessmen from the president of a large corporation to the man who employs one helper on his farm. Its obligations for business may become more binding as the states pass new laws to supplement the federal statute.

The law is designed to solve the difficult problem of maintaining a Twentieth Century Minute Man organization, ready to meet threats of aggression against the American way of life. But it is raising perplexing problems that have not been fully understood.

Its full impact on the nation will not be felt immediately, but its ramifications will become realities across the nation by April 1, 1956, when personnel officers will be faced with a new type veteran; the veteran with a reserve obligation that he must fulfill.

April 1 marks the time when the first high school graduates will be completing their active training pe-

riod and beginning their dual careers as civilians and ready reservists. This October, more than 10,000 young men will be entering the Army Reserve or the Marines for a period of six months. By 1960, approximately 2,900,000 young men will have some degree of active reserve obligation.

This means that business will have some new problems; it will also have some old problems in new garb. There will be advantages.

If properly administered, the new law can mean:

1. That for the first time the high school graduate is out of the gold-fish bowl. An employer can now know the military obligations of potential employees.
2. That for the first time critical skills are protected and that the nation's young specialists will not be stripped en masse from industry during a national emergency.
3. That for the first time the employer can know which of his em-

ployes will be pulled away from the work bench on mobilization day and can plan for adjustments and replacements.

4. That the businessman will know that he is part of an effective manpower program that is ready to protect his nation against the forces of aggression.

Just what is the businessman supposed to do under the law? What will be the factors which a personnel officer will hope to master in time? These are the questions NATION'S BUSINESS asked of labor, management, and the government.

Some of the answers are being clarified.

Almost every union, for instance, will want to add a clause to contracts covering aspects of the new law. Prior to the Act, reserve duty was voluntary. Many labor-management agreements already have clauses governing temporary reserve duty. As of Jan. 1, 1953, for example, a Bureau of Labor Statistics' survey of 1,737 agreements covering more than 6,000,000 workers showed that only 77 provided some form of pay for workers taking reserve training.

Now that reserve training will be mandatory, the unions will ask for covering clauses with every company whose union employees are affected.

Both the CIO and the AFL are preparing dope sheets for their affiliate unions as guides for use in bargaining sessions. The CIO believes that a good part of the new law needs amplification and understanding by both labor and management. In this belief, the CIO would like to have the government call a conference sometime this month of labor leaders, defense officials, management representatives and veterans groups to pool their thinking. They want to come up with a master language for all contracts that would be agreeable to both sides.

In addition, the CIO wants to protect their members' rights as now guaranteed by contracts in force without encroachment by measures called for by the new law.

For example, they want to know what would happen if a man has reserve duty on the night before or after a holiday? Does he lose his holiday pay if his contract calls for his presence at work on the nights before and after holidays to make him eligible for this pay? This question is symbolic for the CIO, as an illustration of the intricacies of the Reserve Forces Act of 1955. They feel that such details are as important as the seemingly larger issues.

The AFL is also preparing a guidebook complete with suggested clauses for their members to refer to

New Desk Top Copying Machine Gives You Direct Copies in Seconds!



New Copyflex Model 100 **\$498⁵⁰**
Requires only an electrical connection to operate.

Makes up to 300 Copies Per Hour at a Cost of less than 1¢ Each! No Stencils, Messy Inks, or Fumes!

It's here! The high-speed, all-purpose copying machine that turns out exact, black-on-white copies of anything typed, written, or printed on ordinary translucent paper—in seconds! Copies originals 11 inches wide by any length. Makes up to 300 copies of different letter size originals hourly. Is absolutely clean, quiet, and odorless. Can be operated by any of your personnel.

New Copyflex Model 100 will save you time and money in almost any type of paperwork operation. Use it to set up fast, accurate one-writing systems for order-invoicing, purchasing-receiving, and similar systematized operations . . . for specialized legal, accounting, and engineering copying . . . for general copying. Mail coupon today for complete information on Copyflex advantages.

BRUNING

Copyflex

Copies anything typed, written, printed, or drawn on ordinary translucent paper—in seconds.

Charles Bruning Company, Inc. Dept. 101-W
4700 Montrose Avenue, Chicago 41, Illinois

Please send me information about Copyflex Model 100.

Name _____ Title _____

Company _____

Address _____

City _____ County _____ State _____

MAC THE MAILMAN SAYS:
Speed Mailings, Save Money



with

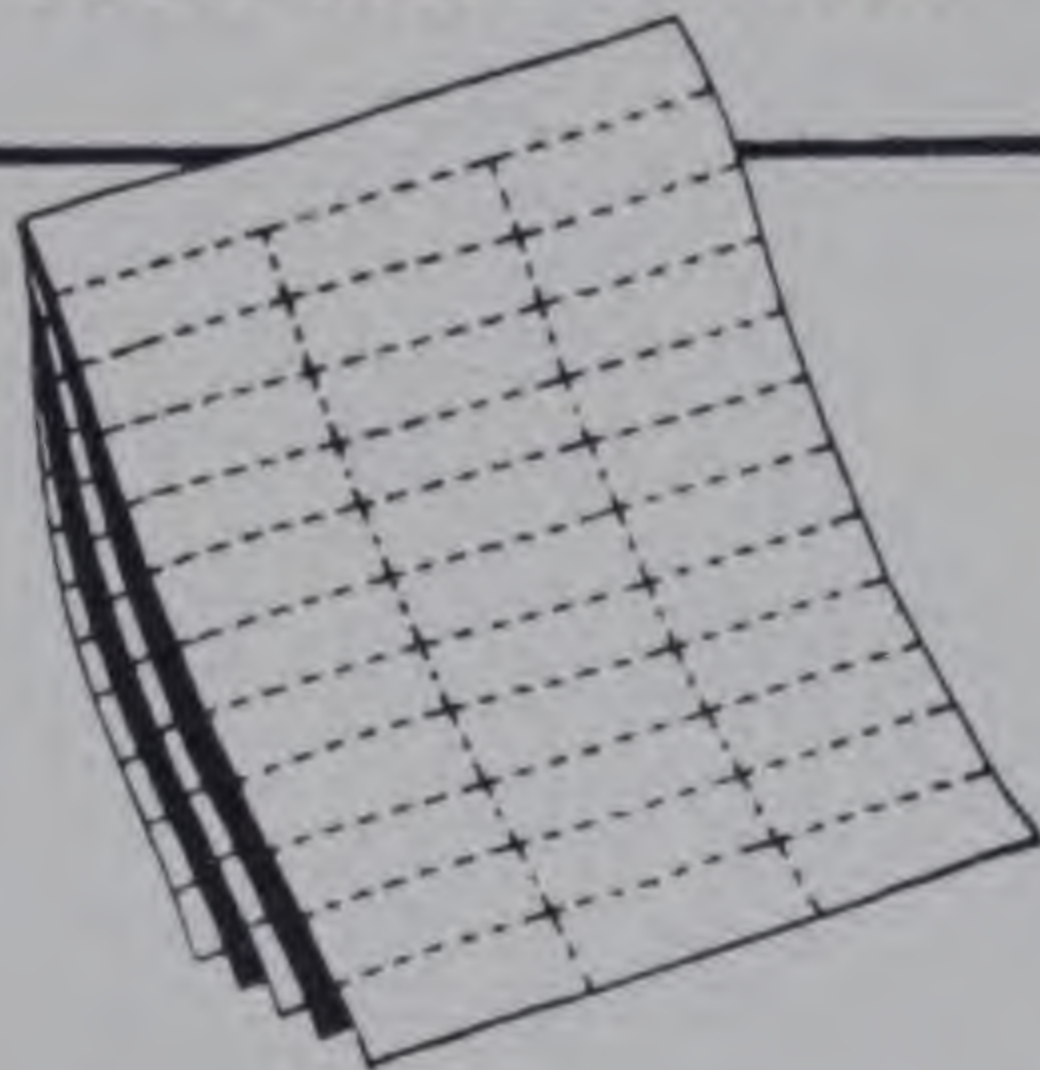
EUREKA

DUPLISNAPS

They're a Snap to use —

20% Faster . . .

100% More Efficient



- **Duplisnaps** are carbon interleaved. No carbons required! 33 perforated, gummed labels to a sheet. Each label (2-13/16" x 1") is large enough for a four line address.
- Saves hours of typing — 2, 3, 4, 5 or 6 labels can be typed in one operation.
- Labels typewriter-spaced for quick typing.
- Labels perfectly aligned. Once you co-arrange the top edge of a set with the aligning bar on typewriter no further adjusting needed.
- One quick "snap" removes carbons intact . . . no tedious and time-wasting hand separating is needed. No carbon smudges on labels!
- Each sheet in a set is numbered in sequence on bottom tab . . . simplifies sorting into groups which allows successive mailings to be sent out in an orderly sequence.

and don't forget

DUPLISTICKERS and **DUPLISTICKER MAIL AIDS** are 8 1/2" x 11" sheets of gummed perforated labels. There are 33 labels to each sheet. Each label is 1" x 3-13/16". Available in six colors — white, blue, green, pink, canary and goldenrod.

DUPLIQUICK labels — similar to duplistickers in size, purpose and versatility, except the paper stock is specifically designed for use with liquid or spirit type duplicators. **DUPLIQUICK** gummed labels can also be used with typewriter or offset duplicating machine.

For complete details, see your favorite stationer, or write

EUREKA

EUREKA SPECIALTY PRINTING CO.
538 ELECTRIC ST., SCRANTON 9, PA.

RESERVE ACT *continued*

when bargaining. In testimony before the Senate Armed Services Committee, George D. Riley, a member of AFL's National Legislative Committee, stated that "the program should be amended so that individuals will be assured they can participate in reserve training without being penalized at their jobs."

In the legislative field several state legislatures have enacted or are enacting laws that require private industry to grant certain rights to the reservists. Furthermore, the drafting committee of the Council of State Governments is proposing to all state governments that similar statutes for public servants be introduced throughout the land.

Here is what has happened in three States:

As of Sept. 30, Ohio has a law that requires businessmen to grant military leave of absence for training by reservists and National Guard in addition to vacation.

The Iowa legislature has amended existing laws to give military leave to the citizen-soldiers, while providing reemployment rights, too. Discriminating against a reservist or national guardsman and affecting his obligations can mean a \$100 fine or 30 days in the county jail in Iowa.

In Utah, veterans' groups are asking industry to follow the example set by the state government which already gives military leave to public servants.

None of these state laws, however, has required financial obligations for the businessman regarding his employe-reservist.

There is some question as to the legality of this legislation. It has been pointed out that the state legislatures may not have constitutional authority to force businesses to comply. But the trend is there, and as more and more states climb on the enforcement bandwagon, it is felt that court tests are inevitable.

The federal government, on the other hand, will rely for enforcement on pleas and appeals from government officials to businessmen.

One promotion piece provided by the Department of Defense is a reserve award similar to the World War II "E." To be eligible for this award, a business must meet some pretty tough requirements including granting leave in addition to vacation and with some form of pay. It must have personnel policies that are non-discriminatory toward those with obligations; give assistance in scheduling for reservists; show "a demonstrated interest in reserve activities"; lend organizational support such as use of bulletin boards, meeting rooms, etc., for reserve training purposes; and publicize the reserve.

This award, a bronze plaque with a citation and pennant, can be given to any employer, company or business regardless of the size or number of reservists employed. Recommendations are made by the employe-reservists of a firm through regular military channels.

Meanwhile, businessmen, with the help of the Chamber of Commerce of the United States and other organizations, are wrestling with the

Upcoming developments to look for as a result of the new military reserve law:

- ▶ The first job-seekers with Ready Reserve obligations after April 1, 1956.
- ▶ Presidential action on the critical skills program, including marking occupations as critical; listing qualifications for individual eligibility; and setting policies for screening specialists from the Ready Reserve to the Standby Reserve.
- ▶ Possible government sponsored conference with labor, management and veterans' groups to work out universal contractual language.
- ▶ More State legislatures enacting guaranteeing laws for reservists.
- ▶ Special Defense Department considerations for extraordinary personnel problems such as night workers and overseas employees.
- ▶ Boost in draft call.
- ▶ Judicial clarification of some aspects of the complex law, including a firm's obligation to rehire veterans.

personnel problems the law creates. Many already have some basic machinery for meeting the situation. As early as two years after the end of World War II many American firms had set up leave policies for employees with defense commitments. Of 1,256 companies surveyed by the U. S. Chamber of Commerce, 720 had adopted leave policies.

Some of them believe that these policies will fit the new law.

Others feel that it is still too early to tell. General Electric, for instance, says, "We have not had the opportunity to make the study necessary to predict the law's long-range implications for industry."

The fact is that a leave policy which permits time off for reserve training can take a number of forms. The time required will most likely be two weeks in addition to vacation. But in some cases it will be only one week; in others, it may be four.

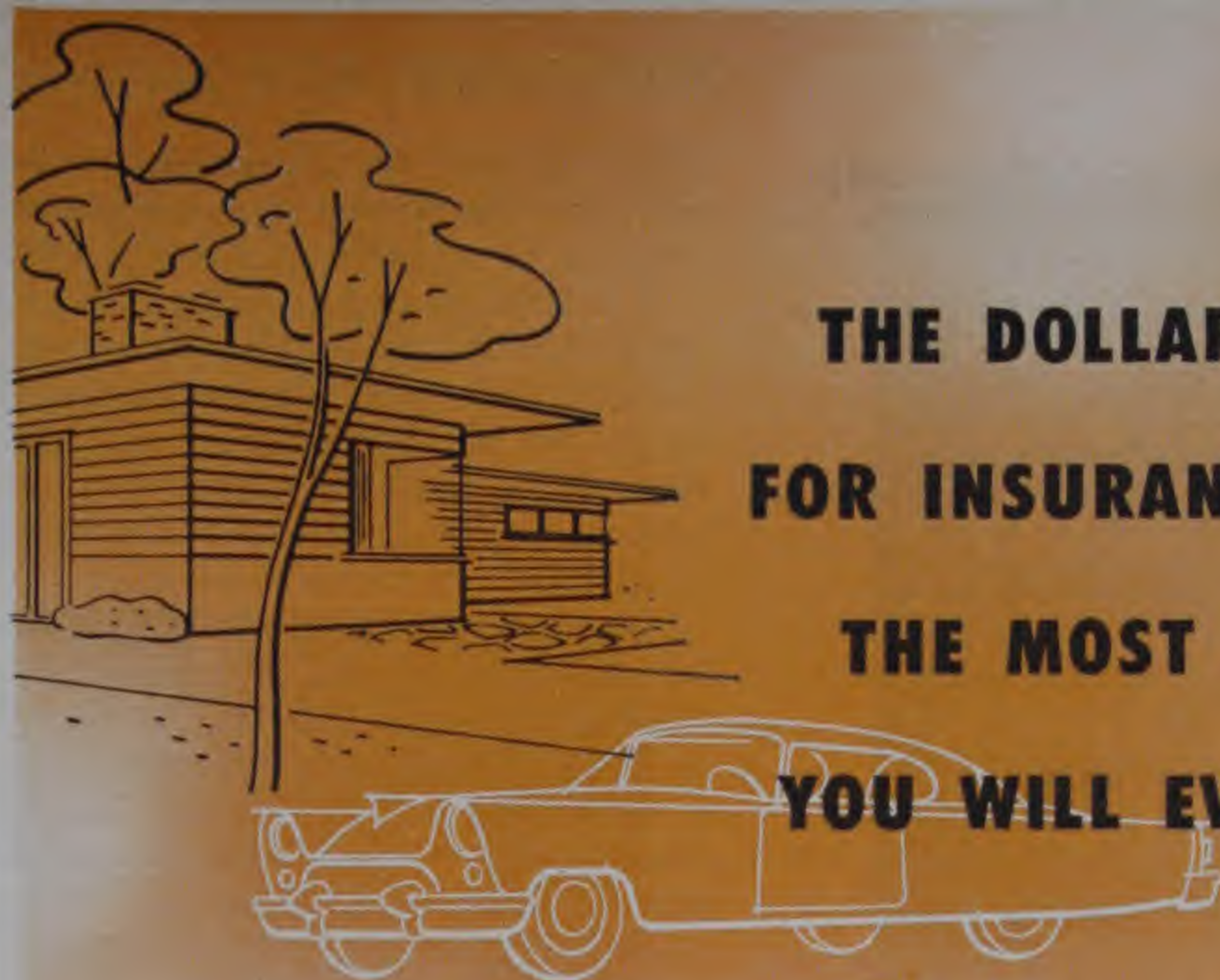
Will this be with pay? Company practices in the past have varied widely. Some grant full pay. The majority tend to make up the difference between job pay and pay received from the military. (The lowest paid reservist will receive \$2.60 per drill period and \$39 for his yearly active duty for training period. The reservist's pay scale is pro-rated according to rank and length of service.) Some companies give no pay.

Most of the companies with pay policies pay blue-collar and white-collar employees equally, but a few differentiate between salaried and hourly workers.

One of the most publicized features of the new bill is the protection of the critical skills. This part of the reserve program has two aspects both of which are the President's responsibility. The first governs the method by which persons with critical skills in industry who have not had military training can serve a shortened period of active duty. The second provides for protecting the specialist and his employer against an immediate call to active duty in time of emergency.

Under the first, men more than 18½ years old with no prior service can enlist in the military for only six months. But, they must face the local draft board for approval.

In operation, an employee with a critical skill will ask his selective service board for permission to qualify under this phase of the program. Evidence that he is in a critical spot and holds a critical skill tab must come from his employer. He probably must also have the endorsement of his State Advisory Board on scientific and technical personnel. The draft board will match the ap-



THE DOLLARS YOU PAY FOR INSURANCE CAN BE THE MOST IMPORTANT YOU WILL EVER INVEST



Any investment in protection must be made carefully; too much is at stake in case of error. That is why you should turn to the local insurance agent when you have an insurance problem. His knowledge, experience, ability—plus his interest in your welfare—are assurance of sound advice and assistance. ¶ Consult your agent or broker as you would your doctor or lawyer . . . men you know and trust.



U.S.F.&G.

CASUALTY-FIRE-MARINE INSURANCE
FIDELITY-SURETY BONDS

United States Fidelity & Guaranty Co., Baltimore 3, Md. • Fidelity Insurance Co. of Canada, Toronto • Fidelity & Guaranty Insurance Underwriters, Inc., Baltimore 3, Md.

New
Development
concerning
HOTEL RATES
in
**NEW YORK
CITY**

THE
BELMONT PLAZA'S
bold, new policy...
the revolutionary

**ONE
RATE
PLAN**

Absolutely without precedent in a hotel of this size and distinction.

- Every single room, with private bath... **\$885** now
- Every double room, with private bath... **\$1085** now
- Every twin bedded room, with private bath... **\$1285** now

Now you can stay at a hotel of character and class, secure in the knowledge that your room is listed at one rate, and one rate only.

On New York's smart East Side, opposite the Waldorf-Astoria. Easy parking. 800 new rooms magnificently decorated. New Belmont Room, restaurant, bar and lounge.



A GREAT HOTEL... NOW A ONE-RATE HOTEL

THE
Belmont Plaza

LEXINGTON AVENUE
49th TO 50th STREETS
Plaza 5-1200



plication and certification against a set of standards to determine whether or not a man does qualify.

If a man is turned down, he can apply for reclassification. Some machinery for appeal will undoubtedly be set up but this has not yet been done. If he loses the appeal presumably he can be drafted for two years, or enlist for two years or more.

Once a man has completed his active duty or training, regardless of whether it is six months, two years or three years, he will find that there is provision for protecting his specialist tab. This is the screening process whereby a man with a critical civilian skill may be transferred upon his request from the Ready Reserve to the Standby Reserve. (The Ready Reserve can be called to duty by the President in time of national emergency such as the Korean conflict. The Standby Reserve can be called only by the Congress.) But a man who does transfer his reserve status must remain in a critical slot in industry or face the prospect of going back into the Ready Reserve.

In effect, the screening process is a watchdog set-up making sure that critical civilian skills in excess of those needed in the Ready Reserve are protected. As outlined by the Department of Defense "the purpose of the screening process is to provide a proper distribution of military skills in the Ready Reserve, to assure that no one possessing a critical civilian skill is retained in the Ready Reserve to perform a military job requiring a lesser skill, and to assure that only those readily available for service remain in the Ready Reserve."

Other aspects of the new law involve night workers, traveling salesmen and overseas employees. How will night workers be able to complete their required training? In large industrial areas such as Pittsburgh, the reserve machinery already permits night workers to take daytime training. In smaller areas, however, some arrangement will have to be made with the military or worked out by the employer.

Although the law requires a maximum of 48 drill periods a year and a maximum of 17 days active duty for training, it is anticipated that lesser standards will be adopted in many circumstances. Some men may not require as much training as others. Some will require none.

As an example, a cook in an isolated lumber camp might find it impossible to attend the prescribed drills. However, if his army status was also that of cook, he would require little training to move into active duty.

It is also important to realize that 48 drill periods a year does not necessarily mean 48 nights a year. In many instances, the drill periods can be combined. The Air Force, for example, has week-end training as well as a system for reservists to train with a regular Air Force unit in their areas from two to eight hours at a clip, and at a time of their own choosing.

Overseas employees might have to take training where there are established United States military bases. But it is anticipated that the majority of them will fulfill their obligations by taking correspondence courses. The law provides that a reservist who is prevented by distance, geography or occupation from taking training will have a variety of opportunities for performing his obligation.

Some countries do not permit foreign nationals to perform military activity of any kind in their country. This even precludes correspondence courses. In these cases, the individual may be excused altogether from the requirements of the reserves by the Secretary of Defense.

Traveling salesmen in most instances will have to be provided for by their employers. A man cannot take training with a different unit each week or drill period as he travels. Typical of the readjustments is that of the Ford Motor Company which states, "the company attempts wherever possible to arrange traveling schedules so that employees may attend necessary training sessions."

A final aspect of the new law is the set-up by which those who, for reasons of occupation or distance, cannot make the drills. These men can wrap up the entire obligation by serving on active duty for 30 days. This might be necessary for seasonal workers. It will mean in some instances a loss of potential employees, such as the college student with a reserve obligation who elects to skip the drills and turn up at a military training center for 30 days during the summer. The National Guard already has an arrangement with some colleges providing that ROTC training can be credited toward National Guard drill requirements if the state adjutant agrees.

Government officials involved with the new law are confident that the problems it presents to businessmen will be met by the businessmen. They point out that businessmen are even more aware today than 20 years ago that a strong reserve means a strong nation, a less expensive military establishment, and local protection in time of emergency.

—HOWARD SIMONS &
KENNETH O. GILMORE



Quaker Pioneer

For further information about any Division or the parent company, write Dept. 108, H. K. PORTER COMPANY, INC. 300 Park Ave., N. Y. 22, N. Y.



THE RIVERSIDE METAL COMPANY
KEYSTONE WATCH CASE & INSTRUMENTS



Divisions of

H. K. PORTER COMPANY, INC.

Executive Offices: Alcoa Building, Pittsburgh 19, Pa.

ALLOY METAL WIRE, Prospect Park, Pa., a leading manufacturer of wire, rod and strip, in stainless steels, nickel alloys, resistance alloys, and specially formed wire shapes. Development engineers assist in drawing specifications to meet fabrication needs.

CONNORS STEEL, Birmingham, Ala., supplies the industrial South and Southwest with concrete reinforcing bars, merchant bars, structural angles, bulb tees, hot rolled strip, steel fence posts, and highway sign posts.

DELTA-STAR ELECTRIC, Chicago, designs and produces high-voltage switches and other apparatus for the electric power industry. Delta-Star places great emphasis on engineering factors as well as fundamental and good design.

ESECO DIVISION, Joliet, Illinois, designs and manufactures complex electrical and propeller-type devices used in heavy industry and in certain government departments, specializing in mobile units for furnishing "on the ground" power to jet planes.

LACLEDE-CHRISTY COMPANY, St. Louis, manufactures fire brick and silica brick, refractory specialties, glass industry refractories, and refractory supported arch and wall tile.

LESCHEN WIRE ROPE, St. Louis, manufactures rope for oil and gas drilling, bridges, elevators, derricks and cranes, marine uses, rope slings, and countless other uses.

THE MCLAIN FIRE BRICK CO., Pittsburgh, Pa., is the largest producer of "pouring pit" refractory brick, comprising dry press and wire cut ladle brick, sleeves, nozzles, runners, hot top brick, mold plug brick, and special shapes.

QUAKER RUBBER CORPORATION, Philadelphia, and **QUAKER PIONEER RUBBER MILLS**, San Francisco, operate industrial rubber mills, on the Atlantic and Pacific Coasts. Rubber belting, hose, packing, and moulded rubber in every type and construction, together with many other products, serve industry, offering long wear and top performance.

THE RIVERSIDE METAL COMPANY, Riverside, N. J., manufactures non-ferrous alloys such as phosphor bronzes, beryllium copper, nickel silver and cupro nickel, for industry and through Keystone Watch Case & Instruments it designs and manufactures fine watch cases and specialty products, particularly for the aviation field.

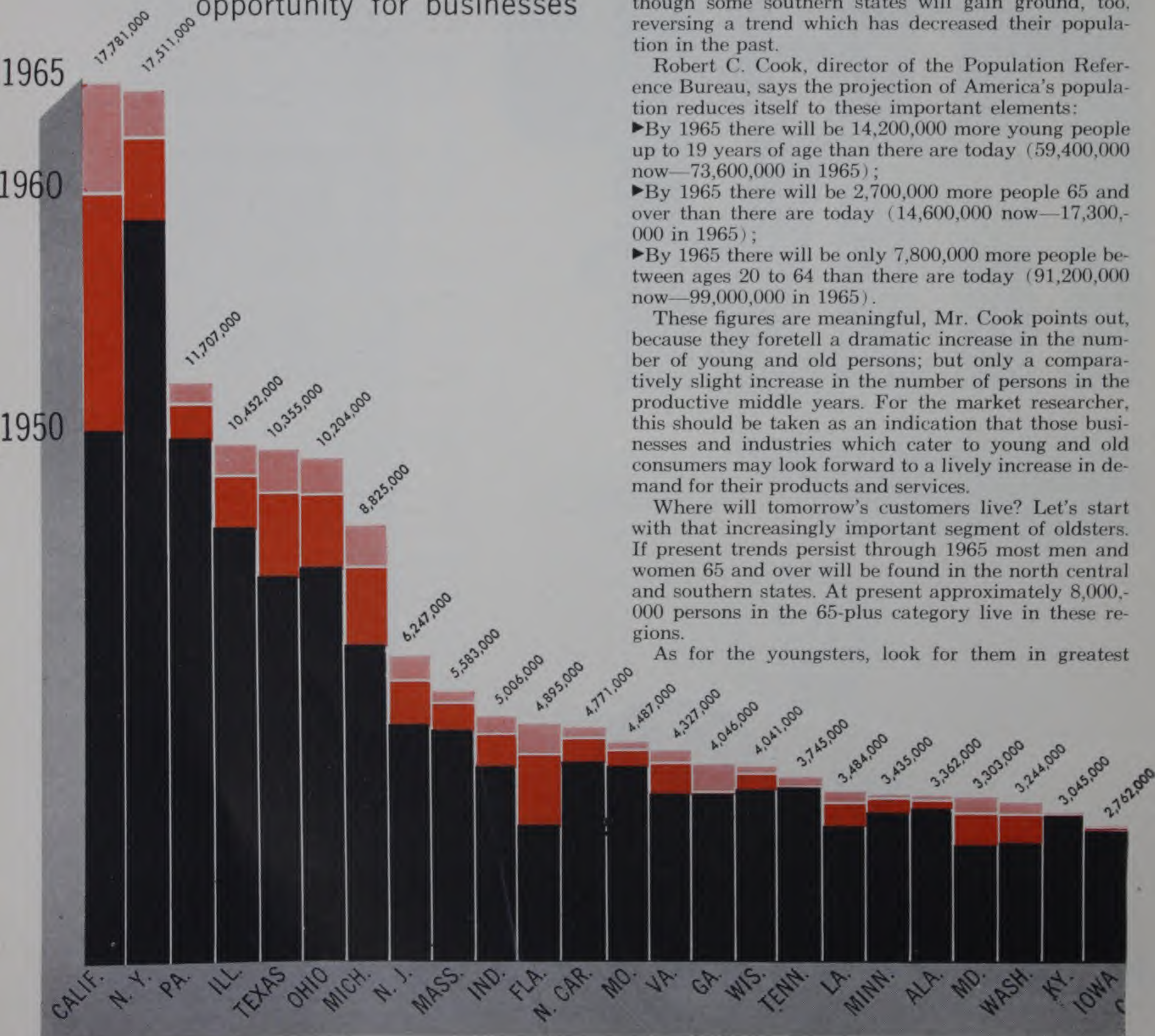
VULCAN CRUCIBLE STEEL CO., Aliquippa, Pa., has been engaged exclusively, since 1901, in producing a complete line of tool steels—shock, die, hot work, high speed and special purpose. These steels come in standard or special rolled shapes, also finish forged to specification.

THE WATSON-STILLMAN COMPANY, Roselle, N. J., manufactures hydraulic presses for industry, producing simple or complicated shapes with speed, accuracy and economy. Capacities: from 500 to 5000 tons.

WATSON-STILLMAN FITTINGS, Roselle, N. J., specializes in forged steel fittings, in carbon, stainless and alloy steels for use in the chemical, petroleum, petro-chemical, power and other industries, particularly wherever high temperatures, high pressures or corrosive conditions exist.

WHERE YOU'LL FIND TOMORROW'S CUSTOMERS

Projections of population for the coming decade point to fast-growing markets in the West, Southwest and South and an era of unprecedented opportunity for businesses



MARKETS for American business ten years from today will be built around a sharply increased number of new families, a greatly expanded school-age population and enlarged industrial centers in the West, Southwest and South.

The map on the opposite page reflects these trends. It was prepared by NATION'S BUSINESS in cooperation with the Population Reference Bureau, Inc., of Washington, a non-profit research organization which gathers, correlates and distributes population data. The projection utilizes material from recent statistical series published by the U. S. Bureau of the Census.

The map projects U. S. population through 1965 on a state-by-state basis so that businessmen concerned with market, production and investment program planning may have a specific idea of how many customers there will be tomorrow, and where those customers will live.

According to the forecast, Americans will number 176,103,000 by 1960. By 1965 the figure will have risen to 188,593,000. New York, now the top-ranking state population-wise, will have surrendered that title to California by 1965. The most marked regional gain in population will occur in the West and Southwest although some southern states will gain ground, too, reversing a trend which has decreased their population in the past.

Robert C. Cook, director of the Population Reference Bureau, says the projection of America's population reduces itself to these important elements:

►By 1965 there will be 14,200,000 more young people up to 19 years of age than there are today (59,400,000 now—73,600,000 in 1965);

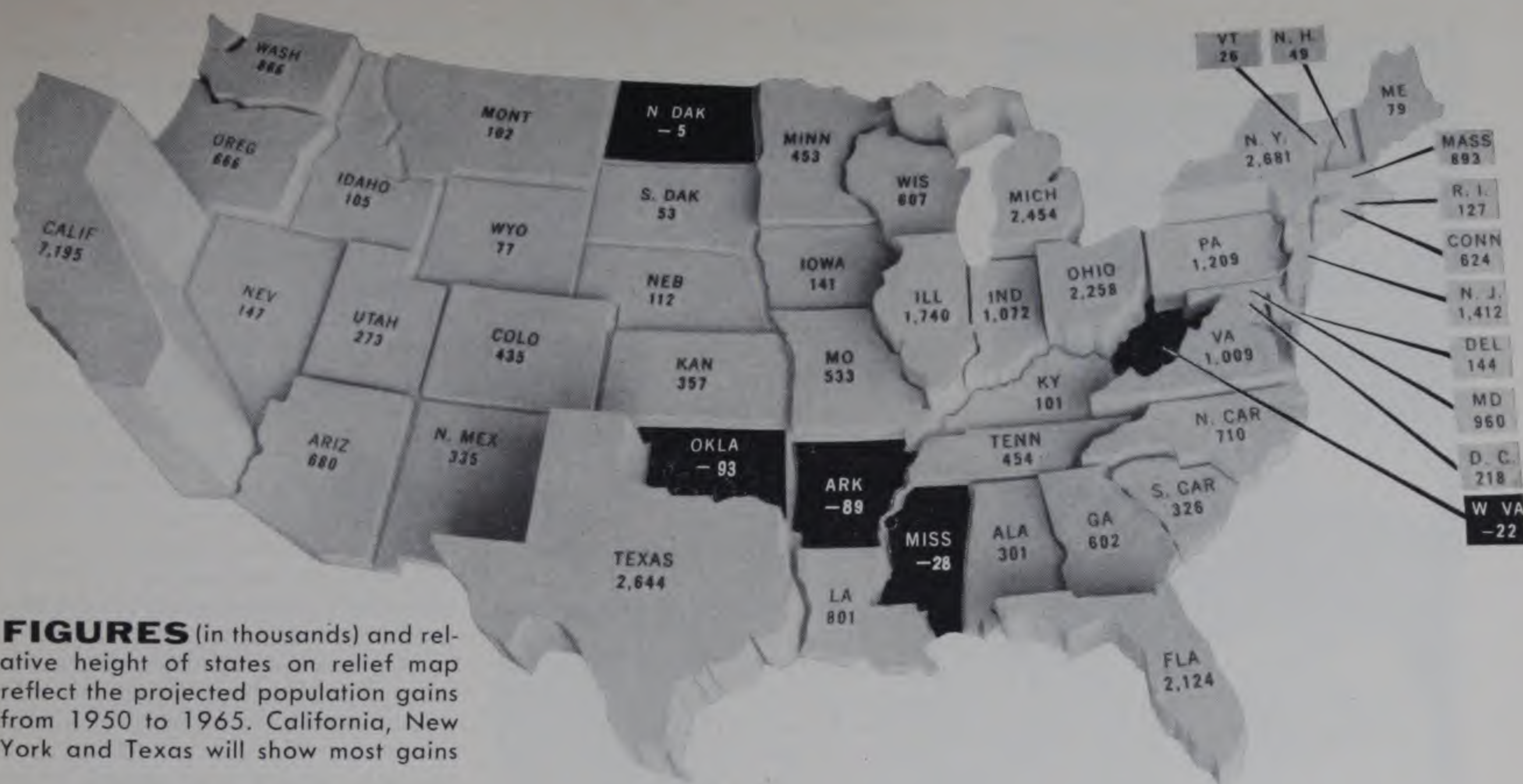
►By 1965 there will be 2,700,000 more people 65 and over than there are today (14,600,000 now—17,300,000 in 1965);

►By 1965 there will be only 7,800,000 more people between ages 20 to 64 than there are today (91,200,000 now—99,000,000 in 1965).

These figures are meaningful, Mr. Cook points out, because they foretell a dramatic increase in the number of young and old persons; but only a comparatively slight increase in the number of persons in the productive middle years. For the market researcher, this should be taken as an indication that those businesses and industries which cater to young and old consumers may look forward to a lively increase in demand for their products and services.

Where will tomorrow's customers live? Let's start with that increasingly important segment of oldsters. If present trends persist through 1965 most men and women 65 and over will be found in the north central and southern states. At present approximately 8,000,000 persons in the 65-plus category live in these regions.

As for the youngsters, look for them in greatest



FIGURES (in thousands) and relative height of states on relief map reflect the projected population gains from 1950 to 1965. California, New York and Texas will show most gains

number in a horseshoe-shaped grouping of states which begins in the South, swings westward through New Mexico and Utah, then hooks back through the Dakotas, the Great Plains area, and the Midwest, terminating in the extreme northeastern portion of the nation.

This projection is compatible with short-term aspects of several recent population forecasts, including that contained in the Twentieth Century Fund's massive survey of America's needs and resources (NATION'S BUSINESS, May, 1955), and a study just published by the Stanford Research Institute, of Menlo Park, Calif.

The SRI forecast, prepared by research economist Howard C. Nielson, plots U. S. population growth through 1975. Mr. Nielson's estimates follow long-range projections of the Census Bureau:

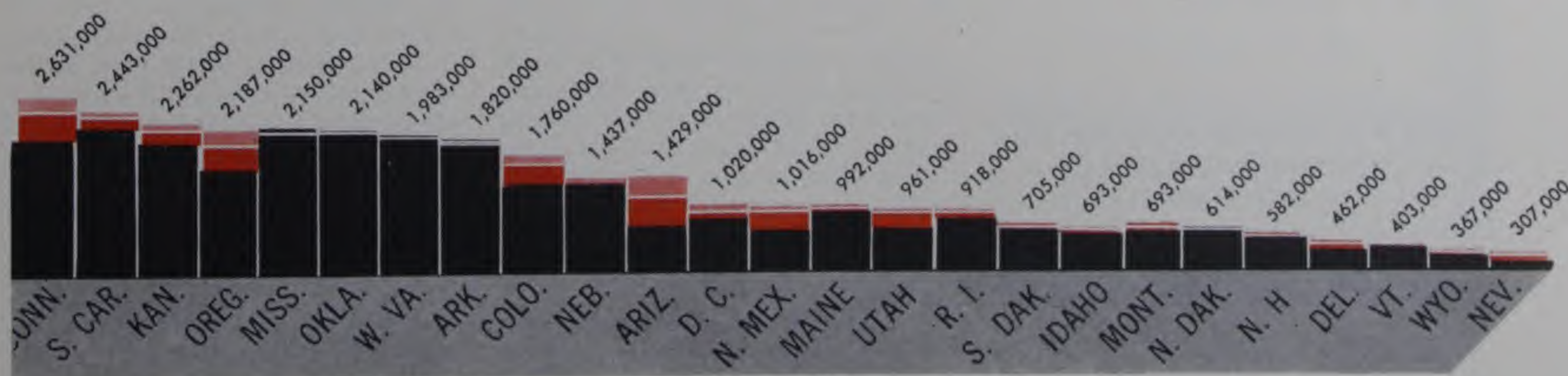
- ▶ There will be 221,700,000 Americans by 1975, compared to about 166,000,000 now.
- ▶ New families will have increased by about 67 per cent over the period 1955-1975.
- ▶ The population of the public schools will be about 42 per cent greater in 1975 than at present.
- ▶ The year 1975 will find the 11 Pacific states winding up a 20 year period in which their populations will have grown more, percentagewise, than that of any other regional grouping of states.

This assumes a continuation of present trends. Modifications of present movements within our population pattern could alter those trends. For example, we are now experiencing a strong population surge toward the West and Southwest. New industries are springing up in those areas—and in some areas of the South—but no one knows if these trends will continue. California's boom already shows signs of losing the terrific head of steam which it had ten years ago, and such economic imponderables as the growing shortage of water in the far West and the promise of rapid economic development along the St. Lawrence Seaway must be considered in any long-range projection of U. S. population distribution.

The businessmen who hold these projections for later reference should remind themselves to update the forecasts in the light of significant new developments, Mr. Cook advises.

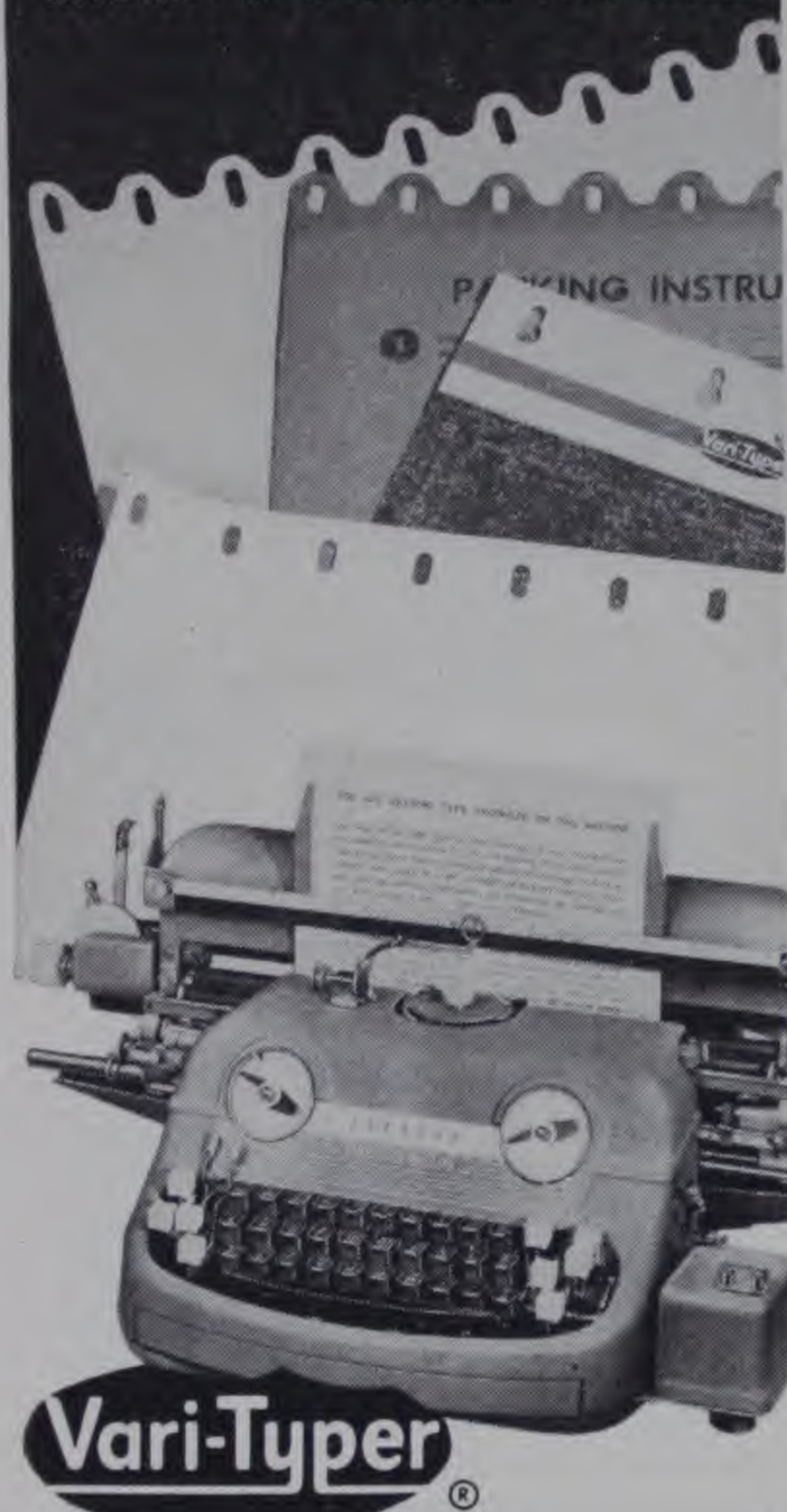
Despite its admitted defects, the population forecast remains a stalwart friend of the businessman. It is his sole guide to the size of tomorrow's markets and tomorrow's labor force. If he accepts it for what it is—a forecast subject to revision in the light of later events—he may find himself far out in front of the crowd when the battle for the consumer's dollar begins in 1965.

END



Make your duplicating look like printing with Print-Style Type Faces

HUNDREDS OF CHANGEABLE TYPE STYLES



Consider how much more your every-day duplicating can produce—if it could have attractive, professional-looking typography. Your forms could be more scientifically prepared. Your bulletins, price lists, parts-lists and catalogs could be produced at a savings beyond compare.

VARI-TYPER, will prepare duplicating masters or photo-offset originals with any of the popular styles and sizes of type, which a modern printing job would demand. Your office typist can do it at her desk. Electrically controlled impression can be set for any type of master you use—even tracings for blue-print work.

Body copy by Vari-Typer
Heads by Coxhead-Liner

RALPH C. COXHEAD CORPORATION

720 Frelinghuysen Avenue, Newark 5, N. J.

PLEASE SEND ME VARI-TYPER BOOKLET C-46

NAME.....

COMPANY.....

ADDRESS.....

CITY.....ZONE.....STATE.....

CREDIT

continued from page 61

effect of these regulations will be. Some might argue that a would-be owner who is either unable or unwilling to make a down payment of \$400 on a \$20,000 house, or who finds that the increase in monthly payments by \$8 or \$9 is a controlling factor, perhaps really should not be a purchaser at this time. This may affect the volume of housing built this year or in some future year. It could reduce volume now and actually increase volume of construction next year or the year after if the government credit agencies are flexible in the determination of credit terms and seek to give stability to the construction industry.

It should be remembered, of course, that this increase in monthly payments is not entirely a cost comparable to rent but results in building up the owner's equity in such a way that the house might be fully paid for five years sooner.

If monetary policy is ineffective, are there supporting instruments which the government may use?

As a matter of fact, monetary policy must be coordinated and supported by fiscal policy, that is to say, taxes and budgetary policies, if it is to be effective. The needs of the Treasury Department, as the biggest single borrower in the economy, and the federal government, being in a position to withdraw funds through taxes or to place funds in the income stream through government deficits, must not only enter into the considerations determining monetary policy but also exert a tremendous leverage which must be geared with general management of the money supply.

There is perhaps a tendency today to place too great confidence in monetary policy alone as an effective stabilizer, forgetting that it is not a perfect or complete tool in itself but only one of several.

How about direct or selective controls?

Thus far we have spoken of what are known as general credit controls in which attempts are made to affect the supply and cost of credit in general, allowing private market forces to work out the precise uses to which available credit is put. Occasions sometimes arise, especially during wartime—and, many would argue, in peacetime as well—when selective controls are in order and would be more effective at getting at precise points which seem to be getting out of line.

When hard pressed for reserves, bankers should give first preference

to those loans which contribute most to sound production. But it is possible that excesses may appear in certain areas.

In such cases it may prove unduly restrictive on the economy as a whole if general credit controls are depended on to carry the entire load of restraining selected areas such as real estate credit, consumer credit, or stock market credit, when some one of these appear to be headed in a direction which is likely to bring us serious trouble.

The Joint Committee on the Economic Report, although not unanimously, has agreed in the past that the Board of Governors might well be given stand-by authority to put into effect regulations similar to "W" and "X," under which consumer credit and real estate credit, respectively, were controlled during the war. The Reserve Board already has authority to regulate stock market credit. Wartime experience with selective controls has taught us the greater virtues of general credit controls but it must be admitted that conditions may arise which make them inadequate.

Would high inventories, for instance, be one of those conditions?

It is difficult to design selective credit controls aimed specifically at inventories.

The recent rate at which inventories have been increasing has led many observers to suggest that during the months ahead inventories may become excessive, thus boosting output higher than warranted by final demand and leading subsequently to a period of liquidation. The question is whether or not general credit restraints actually are effective or can be effective in preventing unwarranted inventory accumulation if such excesses should threaten. Accumulations occurred in 1947 and 1948 and again in 1951, 1952 and early 1953 although restraints of varying severity were in effect.

One explanation of accumulation in the face of increasingly tight credit is that restraints may lead banks to restrict new customers or speculative accounts first while continuing to supply established customers whom they fear to lose by too tough a credit policy. Since most of the accumulation is by established firms, this means the credit restraint will have small impact upon purchases for inventory. Further, inventory accumulation occurs as a result of ordering goods for future delivery at a rate beyond the sales that develop in the future. Hence a restrictive credit policy at any given time can only affect future inventory—and

perhaps the inventory that seems too large today may not be too large tomorrow.

A further possibility is that large stores may be so liquid that they can build inventories without asking for credit.

Partially offsetting these considerations is, of course, the psychological influence which the policy of restraint and the possibility of restraint may have on inventory decisions.

What about the theory of fluctuating interest rates?

The use of monetary policy in such a way that it affects the availability of credit and thus results in interest rate fluctuations at varied points in the business cycle is considered an important stabilizing instrument. We must remember, however, that interest rates can fluctuate at relatively high levels, as in the 1920's, or at relatively low levels, as in recent years.

We should be prepared to accept fluctuations in interest rates but preferably at low levels to assure needed public and private investments, such as highways and community facilities.

As stated by the Douglas subcommittee of the Joint Economic Committee in 1950: "As a long-run matter, we favor interest rates as low as they can be without inducing inflation, for low interest rates stimulate capital investment."

It will be recalled that this report was largely instrumental for the Treasury-Federal Reserve accord of February, 1951, and the adoption by federal monetary authorities of flexible monetary policy.

If you tighten credit, how do you know when to relax? What happens if your timing is off?

Control of the money supply, that is, of credit expansion, under our system depends upon the judgment and wisdom of private borrowers and lenders in the first instance and upon that of the monetary authorities in the exercise of their controls.

The judgments of the monetary authorities must be made on a day-to-day basis, in which a large element of judgment as to the course which the economy is going to take in the months ahead must play a major part. In any case, the administration of monetary policy is delicate. As the Chairman of the Board of Governors told members of this Joint Committee last winter, the authorities are not infallible in their judgments. They confessed that in retrospect it appears they may have jammed on the brakes at one point a little too tight in early 1953.

It is well for us all to recognize, however, that it is the duty and responsibility of the system to work toward economic stability and economic growth and to restrain inflation. A policy of restraining credit is never popular so that we must have some degree of tolerance for the errors and problems of the monetary authorities.

No one would want to say that we know everything about how to manage the money supply, but we do have to recognize the effectiveness of

some of our tools and of the necessity for their use.

Are other nations facing this same problem?

Yes, practically every country has been experiencing a rapidly expanding volume of credit. England and the Scandinavian countries have taken government action to restrain the tide. In many South American countries, uncontrolled inflation, fed by credit expansion, is hindering economic progress.

END



beautiful modern lightweight chairs in decorator colors,

PRICED TO PLEASE

YOUR SENSE OF ECONOMY

Comfortable seating for yourself and your staff, for clients and customers . . . in fresh new design concepts that are pleasing to the eye . . . rigidly constructed for long service, and with easily-removable coverings of elastic U. S. NAUGAHYDE; other fabrics in many colors available. "Wall-saver" side and arm chairs with padded or plastic arm rests, and two handsome swivel models with arms . . . side chairs as low as \$31.40, swivels as low as \$53.00. Ask to see them today!



FOR COMFORT, bonded foam latex padding; 2" on seat, 1" on back and arm rests.



TON-TESTED! Modern testing showed these chairs still rigid under more than a ton of pressure.



"WALL SAVERS" Backs of side and arm chairs cannot touch wall even when legs do.



THEY STACK— Side chairs designed to store easily and simplify floor-cleaning.

Ask your Cramer dealer

OR WRITE DEPT. NB
CRAMER POSTURE CHAIR CO., INC.
1205 Charlotte, Kansas City, Mo.

MAKERS OF CRAMER POSTURE CHAIRS

Your Company
will be

LABOR ORIENTED

in

INDUSTRIAL
COLORADO

...where labor produces
5.2% greater profit margin
than national
average!



SITE FACTS:

Write for detailed,
revised-to-the-minute
analysis,
"Industrial Colorado"

Colorado Department of
Development
77 State Capitol
Denver 2, Colorado

COLORADO CLIMATE • THE MAGIC INGREDIENT

this MODINE gas-fired UNIT HEATER



costs less to install
... less to operate

Here's particularly economical, efficient heating. Modine Gas-Fired Unit Heaters are compact, light weight (half the weight of other makes of same ratings). Thus, you save on shipping, handling and installation.

What's more, Modine design assures faster, more uniform heating ... more efficient combustion ... less chance of fouling. You get more heat for your fuel dollars.

Want to know more? See the classified phone book for the name of your Modine dealer or fill out and mail coupon.



MODINE MFG. CO.
1562 DeKoven Ave., Racine, Wisconsin

Send me free copy of Bulletin 655

Name

Firm

Address

City Zone State

GU-1290

AUTO OUTLOOK

continued from page 30

But of greater importance is the finding that families in the highest tenth of income receivers enjoyed only a 17 per cent increase while among the lower tenth of U. S. families, who generally have been unable to pay for an automobile, the increase was 40 per cent.

The significance of these figures for future auto sales can be seen in the relationship between income and automobile ownership. For the nation as a whole 66 per cent of all families and individual consumers own at least one car. Among those with money incomes of less than \$1,000, however, only 26 per cent are car owners. At the other end of the scale, 94 per cent of families with incomes of \$7,500 and up have cars and 26 per cent have two or more.

From now until 1960 it can be assumed that growth of income will be accompanied by a changing distribution of income that will raise low-income families into higher income brackets. The result will be a significant increase in the number of people owning automobiles. This trend will be aided by easier methods of financing auto purchases. Sixty per cent of all car purchasers are now buying on time and since the end of the war \$75,000,000,000 of credit has been extended for automobile purchases. As of mid-1955 approximately \$12,000,000,000 of auto instalment credit was outstanding. Many motorists are taking up to 30 months and more to pay. Yet car owners are

repaying loans nearly as fast as new buyers are borrowing. In 1953, for example, credit of \$13,500,000,000 was extended and \$11,300,000,000 was repaid.

A share of the credit for the future automobile market must go to the road builders who have been establishing records of their own in the postwar decade. Expenditures for highways in the past ten years have totaled \$44,000,000,000. More than 1,200 miles of toll roads have opened up serious bottlenecks in main road traffic, and many miles of free highways of controlled access design have been built to accommodate the near doubling of traffic since 1940. In urban areas tremendous road building programs involving outlays of many millions of dollars per mile have been pushed through congested quarters to open up the city and change its face.

New York's parkways and water crossings and the expressway systems in Los Angeles and Detroit are examples of the spectacular efforts that have been making up for lost time.

This year 14 state legislatures increased highway user taxes to meet the increasing demand for roads. The U. S. Bureau of Public Roads has reported to Congress that \$100,000,000,000 of new highway construction will be needed over the next decade to accommodate the needs of motor traffic, and this may yet lead to federal legislation for financing a stepped-up rate of construction. A large number of cities have launched ambitious programs of parking ga-

3 reasons for auto boom

REPLACEMENT

4,500,000 automobiles will go on junk heap yearly



FIRST TIME BUYERS

auto-population ratio should be lowest in history



MULTIPLE CAR OWNERS

13 per cent expected to be in this class by 1960



rage construction to complement expressway plans.

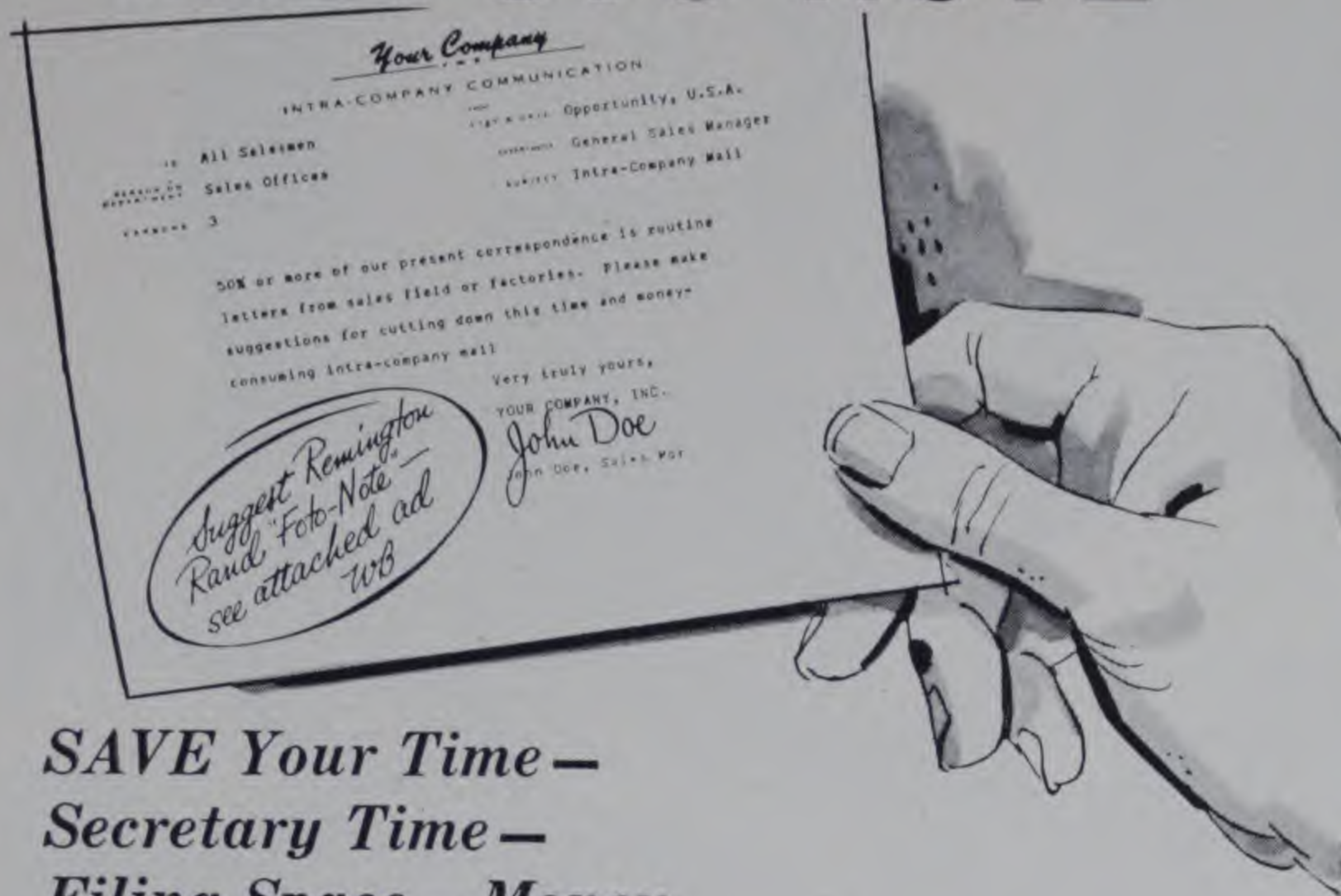
Technological trends both in the automotive industry and elsewhere will be potent factors promoting automobile ownership and use. It is possible that by 1960 automobiles powered by gas turbines will introduce another stimulus for automobile purchasing. Fuel economy, fewer parts, and a less complex engine, air conditioning and innovations in color and style should continue to captivate the customers.

But technology outside the automotive and highway fields will also have an impact on automobile purchase. Increasing productivity resulting from improved industrial processes will not only increase the number of families financially able to buy a car but will also increase vacations and leisure time activities. Weekend and holiday travel is predominantly by private car, and four out of five vacation trips are taken in automobiles. Thus for both home-to-work travel and for social and recreational uses the need for an automobile will continue to increase.

Business uses of the automobile constitute another potent factor in the automobile market. In 1953, business concerns bought 25 per cent of all the new cars sold in Philadelphia. The number of cars sold to private owners in Philadelphia declined six per cent from 1950 to 1953 but sales to business firms increased nearly 40 per cent. Business purchases include those of auto rental firms, which have been expanding their activities rapidly in the past few years. Taxis are another major market. The number of taxicabs has increased 50 per cent since 1941, and more people hail cabs today than ride streetcars.

The optimistic outlook for a high level of automobile sales over the next five years is naturally predicated on the assumption that the nation will continue to avoid a serious economic setback. The expectation that output will reach a new high between now and 1960 does not overlook the possibility of some increase in car prices, however, and further tightening of present credit practices. But the governing factors in the automotive future will be economic growth, technological progress in the vehicle, an effective program of highway modernization, and the continuing adaptation of business and the consumer to an automotive age. These trends will more than compensate for the rough spots. By 1960 America's 150 millionth car will be rolling off the lines, and production will still be rolling to new records.—WILFRED L. OWEN

DON'T WRITE SEND A FOTO-NOTE



SAVE Your Time — Secretary Time — Filing Space — Money

Now, give on-the-spot answers to routine letters... eliminate delays in dictating and transcribing... mail replies the same day... and, save money in the process.

With the effective FOTO-NOTE method of handling intra-company mail, you read a letter—write your answers in the margins and produce Transcopy photo-prints for mailing... all in a matter of minutes. Minutes of "Foto-Noting," that give you these time and money-saving advantages:—

- 1 Prompt answers without transcribing delay.
- 2 Original writer gets both answer and original request—no file-search delay.
- 3 Short, to-the-point answers save time of dictator and recipient.
- 4 Saves filing space—one paper takes the place of two.
- 5 Frees secretary for other duties.
- 6 SAVES MONEY—A Transcopy print costs 70-80% less than normal time-consuming correspondence procedures.

Learn more about Transcopy equipment that can give you this quicker, more efficient FOTO-NOTE technique. See the all-in-one Transcopy Duplex that exposes, develops and prints in less than a minute. Send for your FREE copy of brochure P401.

Remington Rand

DIVISION OF SPERRY RAND CORPORATION

Room 2010, 315 Fourth Avenue, New York 10, N. Y.

NAME & TITLE _____

FIRM _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

Please see that I receive a free copy of brochure P401 describing Transcopy.





I give myself a little extra vacation

... every time I travel by Pullman! "I figure a good night's sleep is a smart idea both for me and for my company. The next day I'm that much better prepared for my job... tension eased... relaxed, refreshed! That Pullman ticket represents an investment in *rest* that never fails to pay off in *results*!"

* * * *

Think what you save yourself when you travel by Pullman! You save long hours of battle with highway traffic... weary hours of anxiety over weather delays. On a Pullman there is peace, comfort, *security*. Pleasant companionship... or cherished privacy. Fine foods of your choice. Your favorite refreshment. Then to sleep, while you speed through the night to your destination. Make your next trip a "little extra vacation"—with travel by Pullman!

You're safe and sure when you

travel by  **Pullman**
© 1955, The Pullman Company



Take a Pullman vacation tonight! Enjoy undisturbed peace, quiet, air-conditioned comfort! It's America's finest, safest, most comfortable, and dependable form of travel!



Relax the miles away over a tempting, hot, freshly-cooked dinner—or your favorite refreshment. Then to restful sleep in a king-size bed. Have a "rent-a-car" reserved for you at your destination, if you wish.

FRED SEATON

continued from page 33

A trifling problem, perhaps, compared to making broad decisions about the budget and foreign policy. Yet the success or failure of an Administration may ultimately hinge on how well it handles the little things which, if bungled, will irritate congressmen and alienate voters.

This elementary fact of political life was, in the opinion of many distressed Republicans, none too well appreciated at the White House before Mr. Seaton joined the staff last February. Important appointments were made without notifying, let alone consulting, the Republican senator from the appointee's home state. House members were allowed to learn from the newspapers about the award, or cancellation, of big government contracts in their districts. The Agriculture Department blithely raised the interest rate on farm loans without explaining or even announcing the action, apparently without anyone foreseeing that it would lay the Administration open to the charge of favoring bankers at the expense of the farmers.

The ire which these and other incidents aroused on Capitol Hill was directed in large measure at Mr. Adams, the former governor of New Hampshire, who had been expected to supply the political experience which General Eisenhower lacked. Although he is generally regarded as an able and hard-working administrator, Mr. Adams also has the reputation of being cold, brusque and unapproachable.

It is a fair assumption that Mr. Seaton was deliberately chosen to complement Mr. Adams. In fact, the greeting which Mr. Eisenhower gave Mr. Seaton at his swearing-in ceremony indicated that the President was thinking, at least subconsciously, that the new deputy assistant would bring additional political savvy into White House councils. After Mr. Seaton had taken the oath, Mr. Eisenhower turned to him with a broad grin and said:

"Welcome back aboard the train, Fred!"

The train to which Mr. Eisenhower referred was his 1952 campaign special on which Mr. Seaton, then a Republican senator from Nebraska, served as route-planner, stop-scheduler and contact man with local Republican officials.

Mr. Seaton's role was further confirmed some weeks later when he was assigned supervision over patronage. This had been the province of Charles F. Willis, Jr., who left

the White House staff in June to become an executive of the Grace Lines. Mr. Willis had developed a system of forms, check sheets and flow charts which were to insure that federal agencies promptly reported any jobs in their possession, and that these jobs were properly distributed among the National Committee, GOP senators and others.

Mr. Seaton's first move was to dump this system and return to the time-honored method of handling patronage on a discreet, informal, be-sure-and-call-Fred-first basis. His next step was to draft Edward Tait, an able young politician who had worked for the Republican National Committee, to succeed Mr. Willis as head of the White House Office of Personnel. Both of these moves were enormously reassuring to GOP Chairman Leonard W. Hall, who now glows with appreciation when Mr. Seaton's name is mentioned, and pays him the ultimate compliment:

"He's a damn smart politician."

Actually, the improvement in patronage under Seaton management has been more psychological than quantitative. The problems of Civil Service regulations, a shrinking payroll and Democratic entrenchment in career jobs are as seemingly insurmountable now as they were under Mr. Willis. One highly placed Republican senator summed up the situation like this:

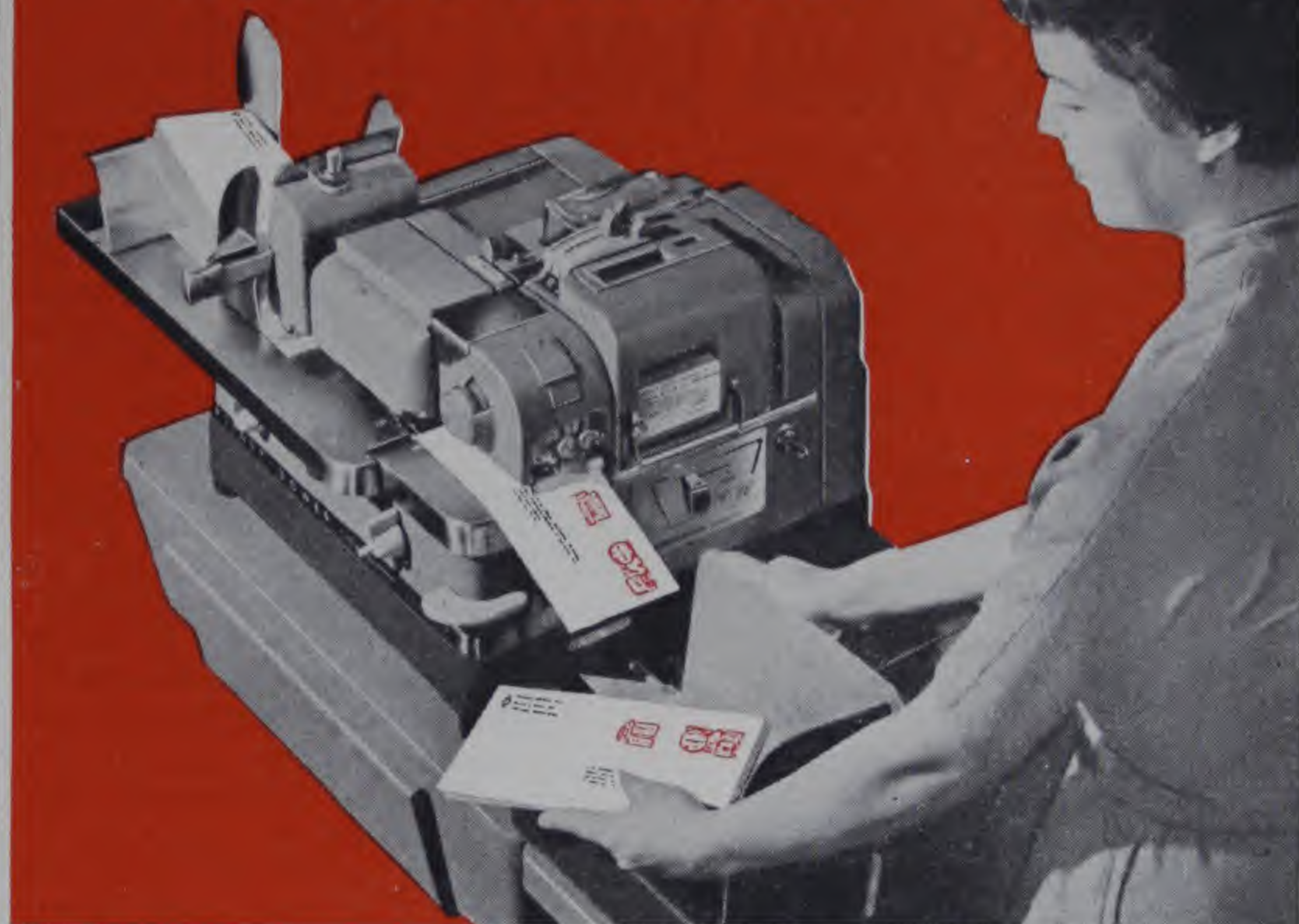
"I can't say that there are any more jobs, but they're better handled. Fred will give it to you straight. Either 'you get the job' or 'you don't have a chance, forget about it.' Whichever it is, it's settled and you don't waste a lot of time."

Another Republican lawmaker who admitted that jobs are no more plentiful now than before, insisted that "the situation is greatly improved." Asked why, he pondered for a while and said: "Fred has an understanding of our problems. He will level with you. And when you're really in a bind, he'll move heaven and earth to help you."

For all its headaches, patronage—in the sense of finding jobs for those who are eager to work for the government—is not the biggest personnel problem confronting the White House. Much more of Mr. Seaton's time is taken up in trying to find enough really competent men to fill key policy and administrative jobs, particularly those which carry little glamor and prestige.

Mr. Seaton is not surprised that most businessmen and others of executive caliber are reluctant to come to Washington, where they will be asked to give up their stock holdings,

Stamps and seals a whole day's mail in a few minutes!



You no longer need to waste time laboriously licking and sticking stamps and envelope flaps at the end of your busy days. The postage meter does it faster, more neatly, and more efficiently... this electric model, for example, can stamp and seal 300 letters in *two minutes!*

The postage meter *prints* postage—any amount you need, for any kind of mail—directly on the envelope, with dated postmark—and with your

own small ad, if you like. A big time saver with parcel post, too—prints postage on special gummed tape for all kinds of packages.

The meter is set by the postoffice for any amount of postage you want to buy... protects it from damage, loss or misuse, accounts for postage on visible registers. Anyone can be a metered mailer... and anyone can easily learn to use a meter. It more than pays for itself in any office—in so many ways!

There's a model, hand or electric, priced for every business, large or small. Call or write your nearest PB office for a demonstration, or send for free illustrated booklet.



For small offices, see the low-cost DM, a desk-model postage meter.

FREE: Handy desk or wall chart of postal rates with parcel post map and zone finder.



PITNEY-BOWES

Postage Meter

Offices in 94 cities
in U.S. and Canada

PITNEY-BOWES, INC.

1322 Pacific Street, Stamford, Conn.

Send free ☐ booklet, ☐ Postal Rate Chart to:

Name _____

Address _____



Now! Carbon Copies That Read Like Originals

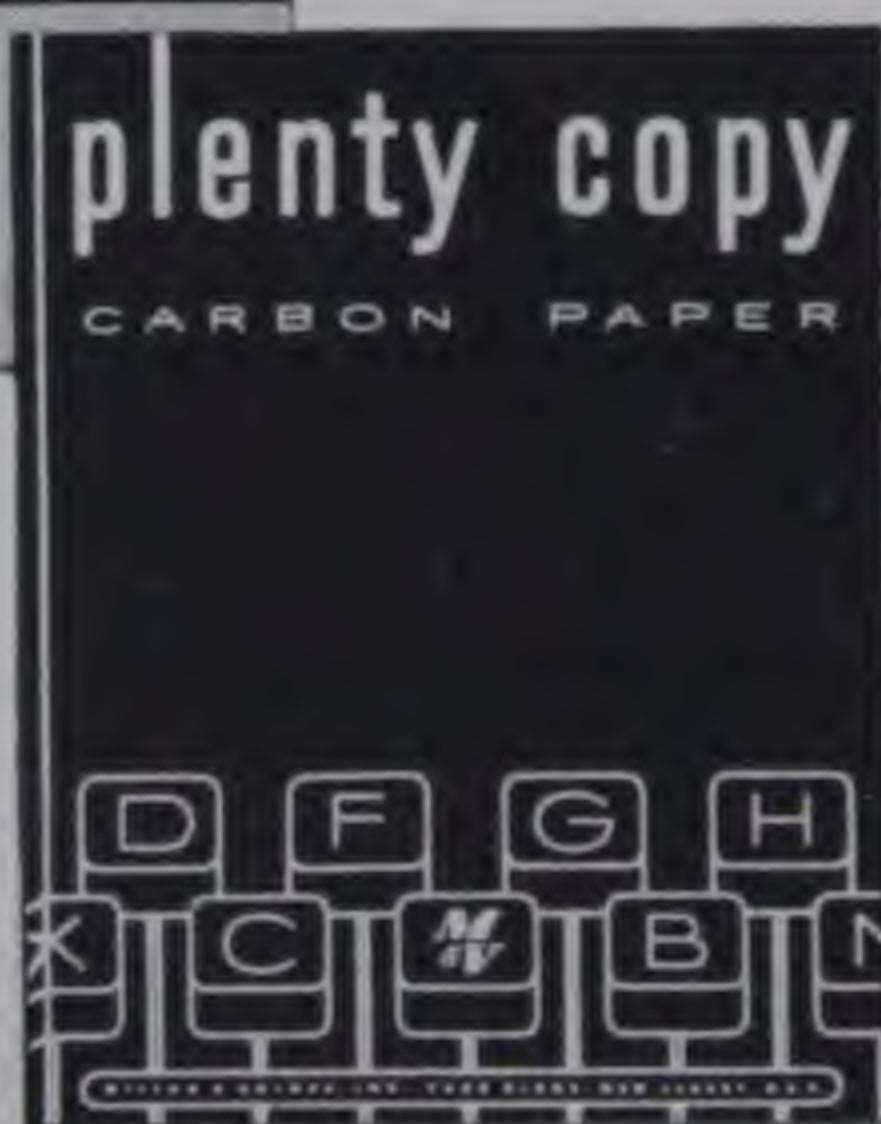
M & V makes the difference!

What makes M & V different from most carbon papers? It's simple—better inks, better paper. So you get clean, sharp, smudge-free copies that read as easily as the original . . . copies with every letter in every word evenly inked and crisp—"a's" and "e's" won't fill even on the last copy.

M & V Carbon Papers are made to last and last—to give you clean, readable copies far longer. What's more, M & V offers you a wide selection of matched inked ribbons for every typing job—to give you sharper originals, too.

Ask your stationery supplier
for one of these top-quality

M & V
brands



**Carbon Paper
and Inked Ribbons**

Mittag & Volger, Inc., Park Ridge, N.J.

FRED SEATON *continued*

work long hours for low pay, and face the threat of reprimands by Congress or the press. But he does preach, as he has practiced, the belief that those who have prospered greatly in America have a particular obligation to serve their country. If you should ever receive a telephone call from the White House sounding you out on a government appointment, do not tell Mr. Seaton that you are too busy making money, or you will learn, as others have, that he has a temper which is all the more explosive for the fact that it is usually held in check.

The political aspects of Mr. Seaton's job have been emphasized because they are his distinctive field of operations. But, like other members of the White House staff, he also has a lot of routine administrative work, and, of course, he serves as a policy adviser to the President.

In addition to the ten big government departments represented in the Cabinet, some 50 independent federal agencies, offices, commissions and boards are technically under the President's direct supervision. Some, such as the General Services Administration and Veterans Administration, are as big as Cabinet departments and require at least as much White House attention. Others, such as the Inter-American Tropical Tuna Commission and the Committee on Purchases of Blind-Made Products, remind the White House of their existence only once a year when they submit the annual report required by law.

For many of the smaller independent agencies, Mr. Seaton is, for all practical purposes, the President of the United States. It is he to whom they take all problems which call for action at the White House level.

One day the head of one of these agencies came to Mr. Seaton's office with a long agenda of work. When all his questions had been discussed, and apparently disposed of, the official asked Mr. Seaton rather wistfully, "Do you think I could get an appointment with the President?"

"Why, yes, of course," said Mr. Seaton in surprise. "Is there some difficulty we didn't take care of?"

"Oh, no, it's not that," said the agency head. "It's just that I've been here a whole year and I've never seen Mr. Eisenhower."

Liaison with the major departments is handled to a large extent through the weekly Cabinet meetings, which Mr. Seaton attends. He and General Persons also meet

every Saturday with assistant secretaries of the various departments to go over current legislative problems. In addition to these regular sessions, there are emergency conferences, in person or by telephone, when some department or official gets in hot water with Congress or the press begins screaming for a scalp.

Mr. Seaton is particularly adept at the swift kind of trouble shooting that is needed to nip a threatened scandal in the bud, or to quell a public furor such as that which involved former Air Secretary Harold E. Talbott. He has both a politician's instinctive feeling and a newspaperman's trained eye for situations that will produce big, black headlines.

Fix-it assignments often are handed to Mr. Seaton at the White House staff meeting over which Mr.



Adams presides at 8:30 a. m. each weekday. This is the meeting at which the President's right hand, so to speak, lets his left hand know what it's doing. Except on rare occasions, however, it is not a forum for discussion of administration programs and policies.

These discussions are reserved for more intimate meetings in Mr. Adams' office or around the President's desk.

It is at such conferences, to which he is summoned several times a day, that Mr. Seaton performs the most highly confidential of all his functions as a personal adviser to Mr. Eisenhower.

Both Republicans and Democrats have given currency to the notion that Mr. Eisenhower is politically naive, and that his White House advisers frequently sell him a bill of goods. Although he appreciates the usefulness of this Palace Guard theory, which makes it possible for politicians of either party to attack administration actions without risking direct criticism of the phenomenally popular President, Mr. Seaton brands it a canard.

In the first place, he considers it a little silly to depict Mr. Eisenhower as politically naive. He says Mr. Eisenhower "has an intuitive sense of timing . . . an unusual ability to sense how the public will re-

act." That leaves him in "very little need of political coaching."

If Mr. Eisenhower ever lacked practical knowledge about the workings of civilian government, that is no longer the case, according to Mr. Seaton.

"He has done his homework and learned his lessons," he says of the President. "Recently a group of senators and congressmen from cotton states came in to talk about cotton surpluses and export problems. It was mighty complex stuff, but the boss not only knew what they were talking about—he knew as much about it as anybody in the room."

As these comments suggest, Mr. Seaton has an unrestrained admiration for his chief. The fanatical loyalty which Mr. Eisenhower evokes from all his subordinates has been remarked before, and it is sufficient here to note that Mr. Seaton has as virulent a case of Eisenhoweritis as any member of the White House staff. When he talks about the President, his normal urbanity gives way to boyish enthusiasm, and the light of the true believer gleams in his eyes.

Mr. Seaton's pride in his boss is reflected in a story he likes to tell about the part the Seaton family played in launching Mr. Eisenhower's military career. Mr. Seaton's father, the late Fay N. Seaton, was secretary to Sen. Joseph L. Bristow of Kansas at the time when young Dwight Eisenhower, of Abilene, applied for appointment to the Naval Academy at Annapolis. The late Charles M. Harger, publisher of the *Abilene Reflector*, was impressed with the Eisenhower lad and urged Fay Seaton to help him get an appointment. No appointments were available to the Naval Academy, but Fay Seaton undertook to help young Eisenhower get into West Point. Every time Sen. Bristow decided to examine the file of applications, he always found Dwight Eisenhower's on top—accompanied by a strong letter of recommendation from Mr. Harger.

After a while, the senator got the point. He snorted, "All right, Fay, I'll send Charlie Harger's boy to West Point."

Fred Seaton was born in Washington in 1909. His father was serving as a Senate secretary, but it would be straining a point to say that he was immersed in politics from his earliest childhood. Actually, the elder Seaton moved to Kansas while Fred was still a toddler and went into the newspaper business at Manhattan. Fred grew up in Manhattan and attended Kansas State College where he cut his political

Kelvinator HOT 'N COLD

cuts Coffee-Break Time

50% (and more)!

Piping hot water for instant coffee
saves thousands of dollars
a year . . . serves refreshingly
cool water, too!

HOT 'N COLD USERS REPORT:

"Coffee-break averaged 20 to 30 minutes before the Hot 'n Cold—now it runs from 5 to 10 minutes!"—C.L.D.

"Saving \$15.00 to \$20.00 a day . . . coffee-break cut by two-thirds!"—A.J.S.

"Saving about \$10.00 a day! Kelvinator Hot 'n Cold doing a fine job!"—A.R.C.

You should know the facts about the outstanding performance records being set by the great new Kelvinator Hot 'n Cold. These are but a few examples of how companies are saving thousands of dollars a year with a Hot 'n Cold. And here's more big news:

FREE Beverages with each Hot 'n Cold in Kelvinator's Special "Get Acquainted" Offer! September 15 to November 15.

Don't miss this! During this 2-month period, each buyer of a money-saving Hot 'n Cold will receive, absolutely free: 100 Packaged Beverages (Freshly sealed, self-service envelopes of instant coffee, chocolate, beef broth and chicken broth, plus Pream and sugar) . . . 100 Cups . . . 100 Spoons.

Kelvinator Hot 'n Colds can be equipped with specially designed cup dispensers and self-service beverage dispensers—optional accessories at a slight additional charge.



Kelvinator

HOT 'N COLD WATER COOLERS

made in pressure and bottle models

Get documented
evidence that
Hot 'n Cold is saving
money for users—
and get your Free
Beverage Certificate!

MAIL THIS
COUPON TODAY!

KELVINATOR WATER COOLERS, Department 13, Columbus 13, Ohio

Send me the whole story on the big fall special on the Hot 'n Cold
—also my Free Beverage Certificate!

name _____ title _____

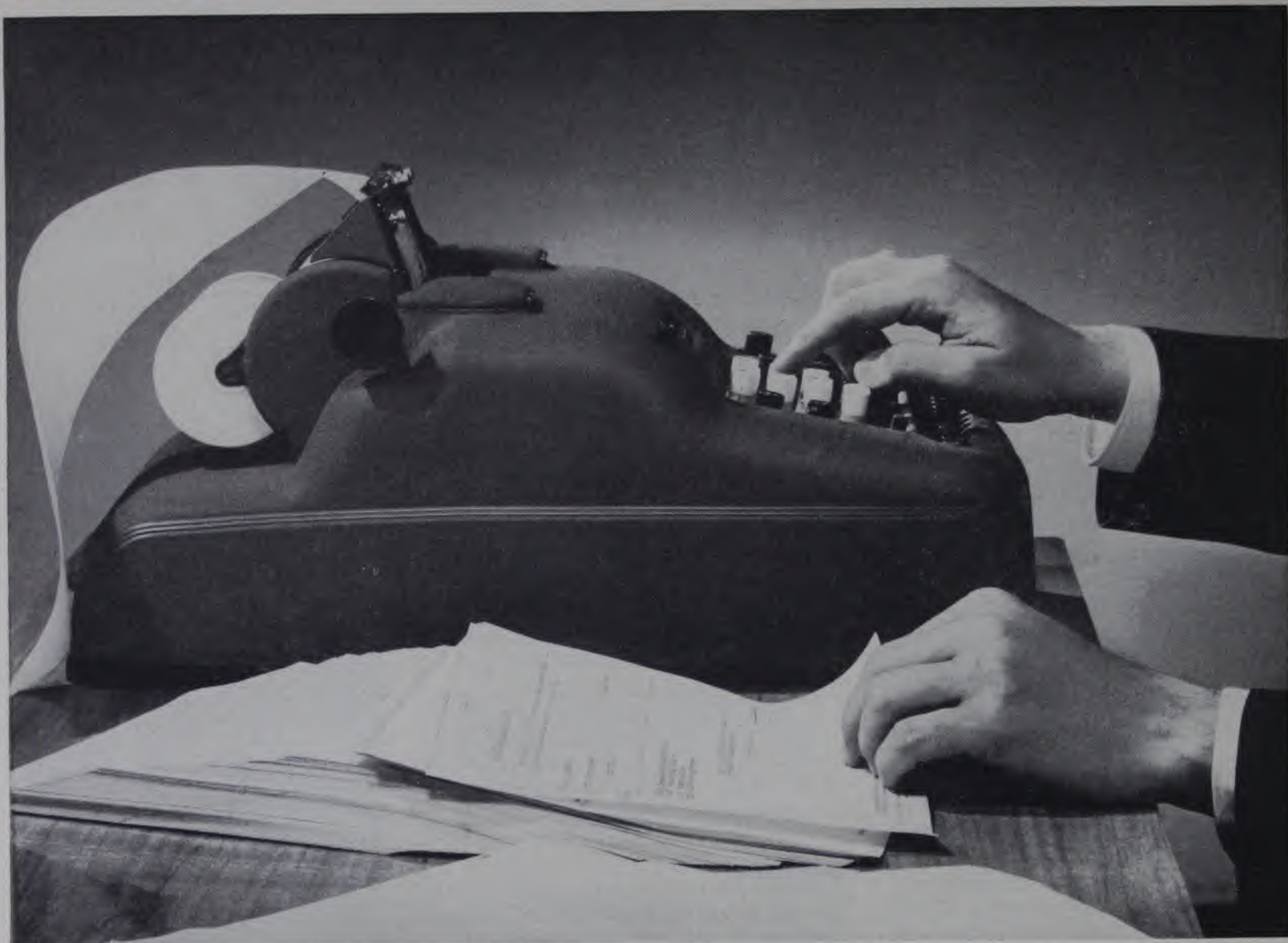
company _____

address _____

city _____ zone _____ state _____

DISTRIBUTED IN CANADA BY KELVINATOR OF CANADA, LTD.

action-in-business*



results when you advertise to business in

Nation's Business

750,000 PAID CIRCULATION



One measure of a magazine's value to advertisers may be found in the list of companies using the publication for inquiries . . . for sales leads that turn to profits. In the field of office equipment and supplies Nation's Business' impressive array of leading companies proves the point.

During the first 6 months of this year, among all general business magazines checked by P. I. B., office equipment advertising is running 0.2% ahead of last year. In the same period, office equipment advertising is up 5.2% in Nation's Business.

Business goes where business is . . . and in the pages of Nation's Business, 31 new office equipment accounts have been added so far in 1955 . . . on top of 17 new advertisers in this category last year . . . making a total of 89 in 1954-1955. (See list on facing page)

In Nation's Business you will find a high concentration of buying executives . . . over 550,000 presidents, board chairmen, owners and partners who read Nation's Business regularly are among its total subscriber audience of 750,000 men in business and industry. And that's another reason why . . . *action-in-business results when you advertise to business in Nation's Business.*

Office Equipment Advertisers Using Nation's Business

AAA ADDING MACHINE COMPANY
ACCO PRODUCTS, INC.
ACME VISIBLE RECORDS, INC.
ADDRESSOGRAPH-MULTIGRAPH CORP.
ALL-STEEL EQUIPMENT, INC.
R. C. ALLEN BUSINESS MACHINES, INC.
AMERICAN PHOTOCOPY EQUIPMENT CO.
APSCO PRODUCTS, INC.
ART METAL CONSTRUCTION COMPANY
AUTOPOINT COMPANY
CHAS. BRUNING COMPANY, INC.
BURROUGHS CORPORATION
CARDMASTER COMPANY
CARTER MOTOR COMPANY
CELANESE CORPORATION OF AMERICA
COLUMBIAN ART WORKS
COLUMBIA RIBBON AND CARBON MFG. CO., INC.
CONNECTICUT TELEPHONE AND ELECTRIC COMPANY
COPEASE CORPORATION
COPY-CRAFT, INC.
RALPH C. COXHEAD CORPORATION
CRAMER POSTURE CHAIR CO., INC.
CURRIER MFG. COMPANY
A. B. DICK COMPANY
DITTO, INCORPORATED
DIEBOLD, INC.
DOUGLAS HOMS COMPANY
DUBL-CHEK CORPORATION
EASTMAN KODAK COMPANY (AUDIO-VISUAL)
EASTMAN KODAK COMPANY (VERIFAX)
EBCO MANUFACTURING COMPANY
ELLIOTT ADDRESSING MACHINE COMPANY
EUREKA SPECIALTY PRINTING COMPANY
EXECUTONE, INC.
FACIT, INC.
FELT & TARRANT MFG. COMPANY
WILLIAM A. FORCE & COMPANY
FRIDEN CALCULATING MACHINE COMPANY
GENERAL BINDING CORPORATION
GENERAL PENCIL COMPANY
GESTETNER DUPLICATOR CORPORATION
GLINES COMPANY
GEISS-AMERICA
HEINN COMPANY
HEYER CORPORATION
INDIANA DESK COMPANY
INSERTING & MAILING MACHINE COMPANY
INTERNATIONAL BUSINESS MACHINES CORPORATION, INC.
JASPER OFFICE FURNITURE COMPANY
KELLOGG SWITCHBOARD & SUPPLY COMPANY
LITHO ENGINEERING AND RESEARCH COMPANY
F. G. LUDWIG, INC.
MARCHANT CALCULATORS, INC.
MASTER ADDRESSER COMPANY
MERCURY BUSINESS MACHINES COMPANY, INC.
METAL OFFICE FURNITURE COMPANY
MITTAG & VOLGER, INC.
MONROE CALCULATING MACHINES CO., INC.
BERT M. MORRIS COMPANY
MOSLER SAFE COMPANY
NASHUA CORPORATION
NATIONAL CASH REGISTER COMPANY
NEENAH PAPER COMPANY
OLIVETTI CORPORATION OF AMERICA
ORAVISUAL COMPANY, INC.
OXFORD FILING SUPPLY COMPANY
OZALID DIVISION OF GENERAL ANILINE & FILM CORP.
PERRYGRAF SLIDE-CHART CORPORATION
PHOTOSTAT CORPORATION
PITNEY-BOWES, INC.
RADIO CORPORATION OF AMERICA
REMINGTON RAND
REX ROTARY DISTRIBUTING CORPORATION
OSCAR SHANK ASSOCIATES, INC.
SHAW-BARTON, INC.
THE SHREDMASTER CORP.
SMITH-CORONA, INC.
STROMBERG TIME CORPORATION
TERADO COMPANY
THORNTON COMPANY
TIFFANY STAND COMPANY
TODD COMPANY
UNDERWOOD CORPORATION
VICTOR ADDING MACHINE CO.
VOGEL-PETERSON COMPANY
WEBSTER ELECTRIC COMPANY
BYRON WESTON, COMPANY
WOOD OFFICE FURNITURE COMPANY
YAWMAN AND ERBE MANUFACTURING COMPANY

teeth by getting himself elected class president.

By the time Fred left college in 1931, his father was publisher of two daily newspapers in Manhattan, Kans. Fred was started out as college reporter of the Manhattan *Morning Chronicle*, and was promoted to associate editor of all the Seaton publications as soon as he had learned the ropes. Since his father's death, he has been executive head of the whole enterprise which now includes eight daily newspapers, two weeklies, three radio stations, a television station and a farm magazine.

Mr. Seaton plunged into politics almost as soon as he left college, starting out as chairman of the county Young Republican Club. He served as secretary to Alf Landon in 1936. When he moved to Hastings, Neb., in 1937 to manage the Seaton newspaper there, he dropped out of active participation in politics for a few years. But by 1945 he was back again, as a member of the Nebraska legislature.

An old friend who knew Mr. Seaton in those days recalls that he was going up pretty fast in both business and politics, and was beginning to get pretty cocky. Then he suddenly got a come-uppance that had a profound effect on his subsequent career. He was in his second term in the legislature and a bill was up to improve rural roads. Mr. Seaton felt that it was sloppily drawn legislation that would lead to many abuses. He voted against it, despite warnings from his colleagues that his vote would antagonize his farm-area constituents. It did, and in the next election he took a trouncing.

This experience did three things: It restored Mr. Seaton's humility, which he has since been at pains to maintain; it convinced him that "if you're going to stay in public office, you can't get too far out ahead of the voters"; and it sent him to the United States Senate.

Val Peterson, now the Federal Civil Defense Administrator, was Republican governor of Nebraska at the time that Mr. Seaton cast his vote against the road bill. Governor Peterson was impressed with the young legislator's courage and, when Sen. Kenneth S. Wherry died in office late in 1951, he appointed Mr. Seaton to fill the vacancy until the next election.

Senator Seaton arrived in Washington just in time for the election-year infighting of 1952. The late Sen. Robert A. Taft and his supporters dominated the Senate but Senator Seaton gravitated to the Republican liberal wing, which was hoping, not



EXECUTIVE'S CHOICE!

"No matter how many pencils my secretary sharpens at the beginning of the day, I always find a use for my Premier Portable. Good-looking, too. And that Twenty-O-Two Stapler makes a fine desk-mate for it!"

Of course, he selects—

APSCO—AMERICA'S CHOICE!

Apsco products inc
9855 W. Pico Blvd.
Los Angeles, California

the world's largest-selling GAS UNIT HEATER



REZNOR

Completely automatic packaged units produce and distribute a controlled amount of heat at the point of use. Nine sizes. Basic system or supplemental heating for commercial and industrial buildings.

write for information on unit heating
REZNOR MANUFACTURING COMPANY
23 UNION STREET • MERCER, PA.

PEOPLE 60 TO 80 CAN APPLY FOR OLD LINE LEGAL RESERVE LIFE INSURANCE

Let us send you complete information about Old American's \$1000 old line legal reserve life insurance policy. No one will call on you. Handle entirely by mail. Just send name, address and age to Dept. L1044M.

OLD AMERICAN INS. CO., 1 W. 9th, K.C., Mo.

YOUR RIGHT DESK CHOICE FOR

PRIDE OR PRICE

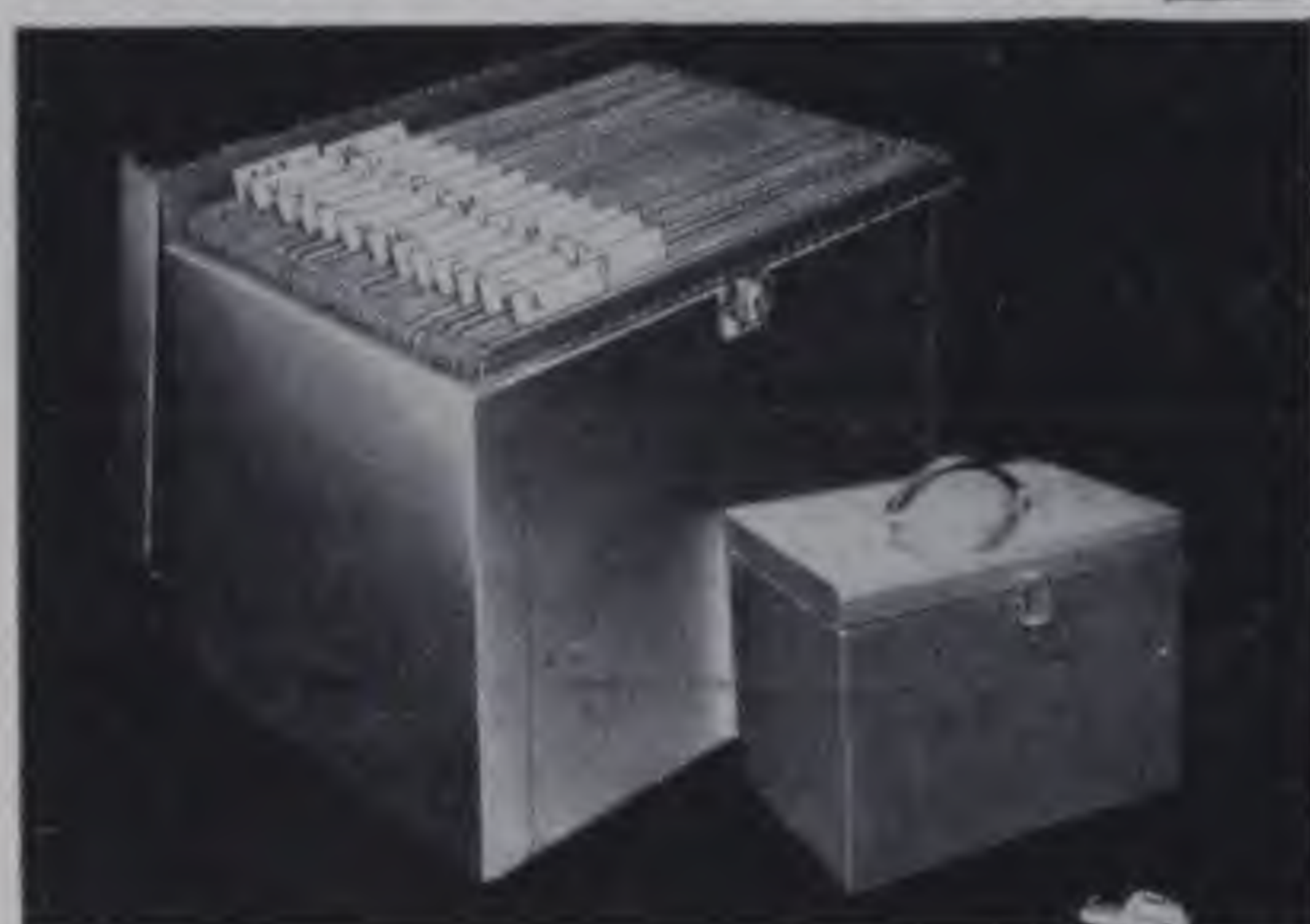


✓ **CHECK ONE POINT**, when choosing a new desk. Check the middle drawer for the "ID" trade-mark. It's a trustworthy guide to a pridesworthy desk, a product of honest workmanship and honest wood — an Indiana Desk. And any model you choose, however modest the price, will give you most desk for the money . . . ask any user!

Check the new, better-than-ever values now offered by your nearest Indiana Desk Co., Inc. Dealer. Just a postcard will bring you his name.

indiana desk co., inc.
JASPER, INDIANA • U.S.A.
OUR 50TH YEAR OF SERVING AMERICAN BUSINESS

when you need filed papers fast



be
"QUICK ON THE DRAW"
with
Oxford PENDAFLEX®
"CARRYFILE"



In the office, on the road, at home—find and file *faster* with this stylish file. Keeps reports, letters, bills, valuable papers always at hand. Made of lightweight steel, tan finish. Brass lock, leather handle, piano-hinge. Holds 25 Pendafile celluloid-tab hanging folders. 9" x 13" x 10½" high.

Clip coupon for catalog, name of dealer

Oxford Filing Supply Co., Inc.
42 Clinton Road, Garden City, N. Y.

Name _____

Address _____

City, State _____



FRED SEATON *continued*

too confidently, that General Eisenhower could be induced to come home from Europe and be a candidate.

Early in the spring of 1952, Senator Seaton and his wife went to Europe on a personal mission, to adopt two German war orphans. While they were there, they were invited to a party in Paris at which General Eisenhower was also a guest. The senator and the general spent most of the evening talking earnestly about world peace, the "mess in Washington" and the need for a liberal-conservative administration. Senator Seaton came away smitten. He hurried back to Washington and went to work to get General Eisenhower nominated and elected President.

After the election, his one-year Senate term at an end, Mr. Seaton returned to Hastings and the publishing business. In late summer of 1953 he was vacationing with his family at their rustic fishing lodge at Spearfish Canyon in the Black Hills of South Dakota. About 10 o'clock one night a messenger arrived on foot with the breathless news that "the White House is trying to reach you on the telephone, Mr. Seaton." Mr. Seaton drove in to Lead, S. D., the next morning to a telephone.

"As I walked down the street," he recalls, "everybody I saw stopped me to tell me that the White House was calling me. I've never enjoyed such prestige, before or since."

President Eisenhower wanted Mr. Seaton to take a new job which had just been created in the Defense Department—Assistant Secretary in charge of Legislative and Public Affairs. Mr. Seaton really didn't want to go back to Washington but he promised to think it over. He went back to the lodge where Mrs. Seaton settled the question by pointing out that "You got him into this; you

can't very well refuse to help if he asks you."

His job at the Pentagon was to oversee the Defense Department's relations with Congress, the press and the public. Mr. Seaton's approach to the job was a novel one for the Pentagon and delighted newsmen as much as it shocked some of the brass hats. He urged the Defense Secretary to hold weekly news conferences and express himself freely. To those who regarded this as an experiment fraught with peril, he replied: "Charlie Wilson is an honest and sincere man who is trying to do a good job. If you expose him to the public enough, people will eventually recognize that fact."

When the armed forces made bloopers, instead of following tradition and trying to hush them up, Mr. Seaton insisted on getting the facts to the public as quickly and candidly as possible.

"The longer you cover this up, the worse it will smell when it's finally dragged into the open," he told protesting military men.

It would be nice to be able to say that the Pentagon is still profiting by the lessons in public relations which Mr. Seaton taught, but that is unhappily not the case. Soon after he was pulled into the White House, the censors took over again.

Mr. Seaton plans to stay at the White House "as long as the boss wants me." Then he's going back to Hastings to be a full-time newspaperman. He has firmly made up his mind that he will never run for public office again—not even for another term in the Senate.

"Printer's ink in your veins," he told a friend recently, "is the only really effective antidote for Potomac fever."

Although he keeps in touch with the business affairs of Seaton Publications and tries to make at least one visit a year to each of his enterprises, Mr. Seaton does not dictate editorial policy from Washington. On the contrary, he encourages his editors to take independent stands, and recently was rewarded by the spectacle of one Seaton newspaper fervently supporting a candidate whom another Seaton newspaper proclaimed to be a bum.

All of the Seaton newspapers are Republican, of course—you can't carry this editorial independence too far—but they do publish syndicated columns which are often sharply critical of the Administration, and, occasionally, of Mr. Seaton's own pet projects.

Each newspaper and broadcasting station has been set up as a separate corporation in which Mr. Seaton

and his brother Richard own a controlling majority of the stock. The rest of the stock has been distributed to executives and employees under a profit-sharing arrangement which Mr. Seaton considers to be the secret of their continuing growth and their healthy financial condition.

Beyond getting back to newspaper work, Mr. Seaton's only burning ambition at present is to have a little more time to spend with his family, preferably at the telephone-less fishing lodge in the Black Hills.

In Washington, the Seatons live in a rented house on Foxhall Road but the place they call home is a farm on the outskirts of Hastings.

"It's a real farm," says Mr. Seaton. "Wonderful place for the kids."

Mr. and Mrs. Seaton were married while both were students at Kansas State. They have four children, Donald Richard, 14, Johanna Christine, 12, Monica, 9, and Alfred, 8. The eldest two attend private schools near Washington, and the youngest are in public school. The family attends an Episcopal church.

The kids have succumbed to the Seaton charm like almost everyone else long exposed to it.

"He seems to be able to handle them without the least effort," says Mrs. Seaton wistfully. "I have to work at it."

Mr. Seaton, a meticulous dresser, always turns up at the White House handsomely turned out in a dark suit, white shirt, blue or gray foulard necktie, and striking cuff links. He gets to his office by 8:00 o'clock every morning except Sunday, and rarely gets away before 6:30 or 7:00. When he has an evening free of official social obligations, he likes to take Mrs. Seaton to the theater, or read. His reading interests are extremely catholic and encompass, in addition to several daily newspapers, most of the well known magazines and a large variety of books, especially novels and histories. He is particularly well-informed about American history, a favorite subject.

The only other hobby he has time to indulge these days is eating exotic foreign foods. He is something of a gourmet and is especially fond of Chinese dishes. But he has to ration this pleasure strictly because of an unfortunate tendency toward middle-age spread which has developed since he quit smoking some years ago.

If you ask Mr. Seaton how long he figures he may be working at the White House, he heads you off with a slow grin.

"Look," he says, "I really don't know what's ahead now."

—LOUIS CASSELS

This is a High-Production Desk



BERT M. MORRIS CO.

8651 WEST THIRD STREET, LOS ANGELES 48, CALIFORNIA

In New York: 381 Fourth Avenue • In Canada: McFarlane Son & Hodgson, Ltd., Montreal, Quebec

Attractive, economical Morris *Matched* desk top equipment makes desk organization easy ... and organized desks are productive ones. Morris *Matched* sets add prestige to the entire office.

Memo pad, ash tray, pen set, letter trays, even book ends ... get them *all* for less than you might pay for just one fountain pen set. For one desk or a hundred, look first at Morris *Matched* Sets ... at stationers everywhere.

The leader in matched desk-top equipment

How to avoid expensive mistakes when buying a copying machine

Will that machine you buy be able to do *all* your office copying? Or will you lose time and money on jobs your machine just can't handle?

One machine cannot copy from colored papers, from spirit duplications, or from opaque or two-sided originals. Another machine is useless with an ink that does not have a carbon base. When your original has fine details or material set down in colored ink, or if it's a slightly blurred carbon, another machine lets you down.

But the Copease photocopier can handle the full range of office copy assignments and 95% of them without even a dial adjustment! Copease copies of pencil, any ink, crayon, typing, stencil and spirit duplications, offset and even blurred carbons rival the original for clarity and neatness. And Copease copies under any light.

Avoid expensive mistakes when buying a copying machine. Compare! Prove to yourself that Copease copies everything, with a FREE 3-day trial in your own office. Send coupon now.

Copease*
Duplex
PHOTOCOPIER



*Trademark

Offices: New York, 270 Park Ave., PLaza 3-6692 • Los Angeles, 3563 Wilshire Blvd., DUmkirk 5-2881 • Chicago, 201 N. Wells St., ANdover 3-6949 • Distributors in Principal Cities

Copease Corporation, 270 Park Ave., New York 17, BOX NB-10
Gentlemen: I'd like to have a free 3-day trial of Copease in my office ☐

Please send free literature ☐

Name.....

Firm Name.....

Address.....

City..... State.....

Geared to P.T.O.-Bale

UP TO 12 TONS AN HOUR



thanks to **BORG-WARNER** *engineering*

That's a lot of hay, no matter how you bale it. Yet New Holland's new "Super 77" power take-off baler for 3-plow tractors is as easy to operate as any engine powered baler.

Ordinarily, high-speed baling involves punishing shock loads throughout the take-off system. But with the special gear-box and over-running clutch designed by Borg-Warner's Warner Automotive Parts Division, the "Super 77" P.T.O. clicks off the bales smoothly, effortlessly. The farmer has complete control of the entire baling operation. And he can safely shift tractor gears at will to synchronize ground speed with baling speed for continuous high capacity.

Rugged, efficient Warner Automotive gear-box assemblies, individually designed, fit a wide variety of agricultural needs—in combines, corn pickers, rotary cutters, post hole diggers, spreaders.

Behind these—and *all* Borg-Warner products—you'll always find B-W engineering at your service in typical "design it better—make it better" tradition.

B-W ENGINEERING MAKES IT WORK **B-W** PRODUCTION MAKES IT AVAILABLE

Almost every American benefits every day
from the 185 products made by

BORG-WARNER



THESE UNITS FORM BORG-WARNER, Executive Offices, 310 S. Michigan Ave., Chicago.
DIVISIONS: ATKINS SAW • BORG & BECK • CALUMET STEEL • DETROIT GEAR • FRANKLIN STEEL • HYDRALINE PRODUCTS • INGERSOLL CONDITIONED AIR • INGERSOLL KALAMAZOO INGERSOLL PRODUCTS • INGERSOLL STEEL • LONG MANUFACTURING • MARBON CHEMICAL MARVEL-SCHLEBLER PRODUCTS • MECHANICS UNIVERSAL JOINT • NORGE • PESCO PRODUCTS ROCKFORD CLUTCH • SPRING DIVISION • WARNER AUTOMOTIVE PARTS • WARNER GEAR WOOSTER DIVISION • **SUBSIDIARIES:** BORG-WARNER ACCEPTANCE CORP. • BORG-WARNER INTERNATIONAL • BORG-WARNER, LTD. • BORG-WARNER SERVICE PARTS • LONG MFG., LTD. MORSE CHAIN • MORSE CHAIN OF CANADA, LTD. • REFLECTAL CORP. • WARNER GEAR, LTD. WAUSAU MFG. CO. • WESTON HYDRAULICS, LTD.

to influence our weather in the northern region."

Dr. Lawrence M. Gould, chairman of the U. S. subcommittee on the antarctic, declares that "no single factor will contribute more toward the further refinement of long-range forecasting than a continuous flow of observations from stations located on and around Antarctica. It is not too much to believe that filling this gap may make possible forecasting so much more accurate that many hitherto unheralded disasters of weather may be anticipated and prepared for."

The antarctic investigation also is expected to uncover vital information on how solar forces and other atmospheric activities common in the polar regions interfere with radio communications. Finally, it is likely that IGY investigations may aid in the later development of mineral resources lying beneath the antarctic ice.

The effort to pry loose the secrets of weather is not limited to the antarctic stations, of course. The three pole-to-pole meridian lines will be occupied by more than 265 stations equipped to study the high-altitude air currents which move weather from one area to another. In addition, information for weather forecasting will come from the extensive IGY studies of the ionosphere—the region of rarefied gases between 50 and 250 miles above the earth—and from the intensive observations of solar flares, sun spots, cosmic rays and other activities of the sun. All these are believed to have strong influence on weather. In fact, the 1957-58 period was specifically selected for IGY because of the unusual solar activity which will occur during those 18 months.

Here are some other questions which IGY will help answer:



Can the high winds of the upper atmosphere be used by airplanes?

The so-called jet streams, winds ten miles or more above the earth which travel at hundreds of miles an hour, are already used to some extent to increase the speed and efficiency of planes. Scientists think extensive mapping of these great winds will permit high-altitude planes to use them regularly. The IGY program

of simultaneous high-altitude observation from hundreds of stations will provide the first such maps.

Can man conquer the atmospheric interferences that break down radio communications?

This is of vital concern for military and commercial flying and shipping, for the use of guided missiles, and in many other fields. The ionosphere reflects radio waves and thus makes long-range radio possible. But frequently high-atmospheric disturbances black out the waves. If the interference could be better understood or predicted, ways might be found to circumvent it.



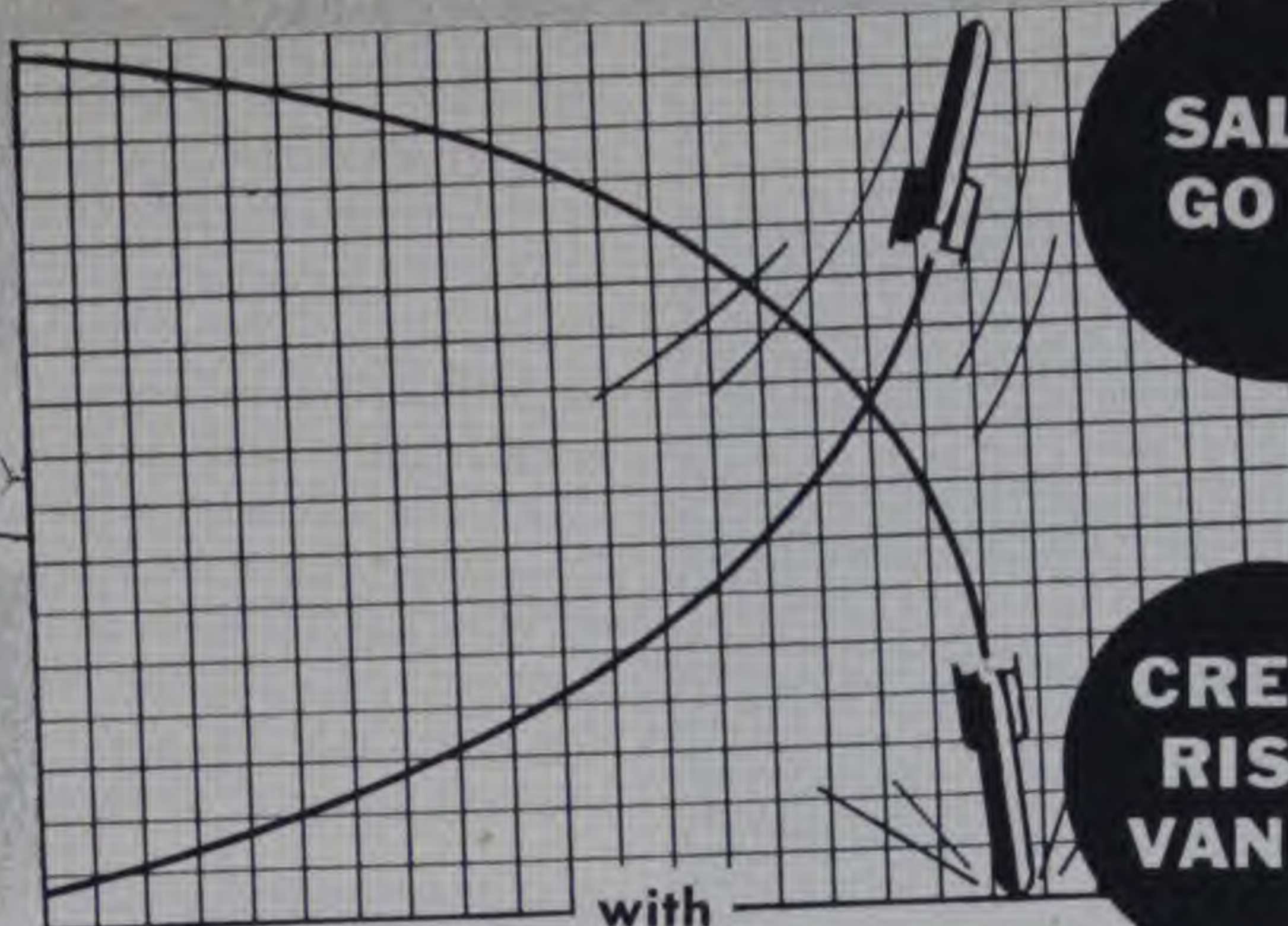
What can we do about earthquakes?

IGY scientists will make exhaustive studies of weaknesses in the crust of the earth and in its deep interior, of the strains on the earth's surface, and of the effects the gravitational pull of the sun and moon have on the earth's surface—all believed to be factors in causing earthquakes. They think these studies may lead to improved methods of forecasting earthquakes.



Do the continents move?

Right now, the earth's great distances—the width of the Atlantic, for instance—are known only within 200 to 300 feet, and some islands are probably charted as much as a mile off their true locations. The scientists can't tell whether the land masses shift or not. During IGY, for the first time, all the major distances will be triangulated—determined by precise geometrical means—to an error of less than 100 feet. The technique used will be based on special photographs of the moon in relation to the stars behind it, taken from 20 widely separated IGY stations. The result will give precise latitude and longitude measurements. This not only will show whether the continents shift but will also aid in measuring changes in the speed at which the earth is rotating, knowledge vital to an accurate time-keeping system.

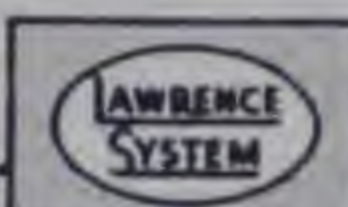


SECURED DISTRIBUTION

SECURED DISTRIBUTION is an exclusive Lawrence service which enables the manufacturer to put a full inventory of his products

on the premises of distributors—without credit risk. Write or telephone collect to nearest Lawrence office. Free booklet on request.

LAWRENCE ON WAREHOUSE RECEIPTS



... IS LIKE CERTIFIED ON CHECKS

LAWRENCE WAREHOUSE COMPANY

NATIONWIDE FIELD WAREHOUSING

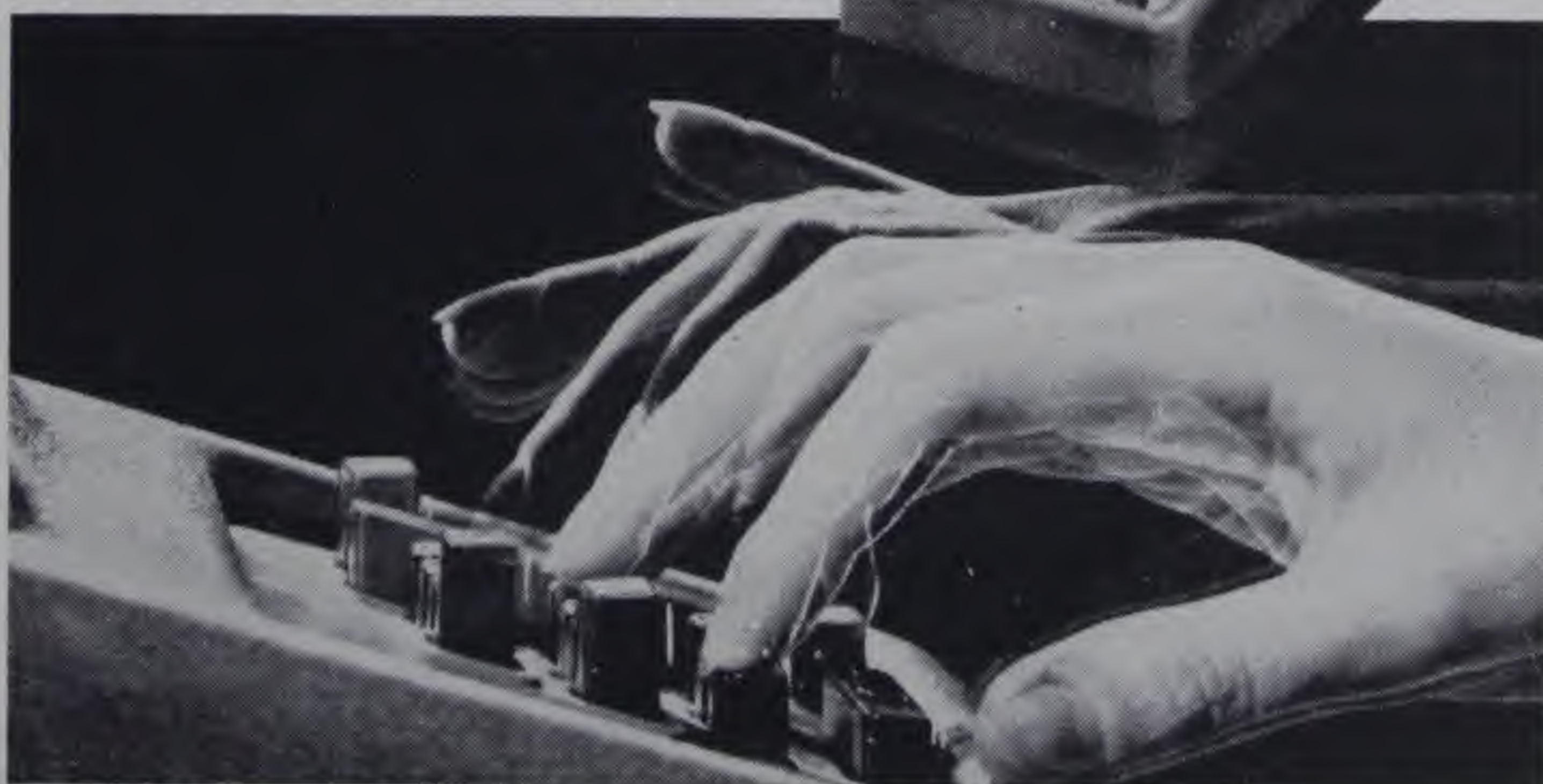
37 Drumm St., San Francisco, Calif. • 100 N. La Salle St., Chicago 2, Ill. • 79 Wall St., New York 5, N.Y.

OFFICES IN PRINCIPAL CITIES

FREE!

5-DAY TRIAL!

High-speed, simple ten-key operation



People in your business who've been using adding machines for years tell us they're amazed by the Underwood Sundstrand. It's the fastest, easiest machine they have ever used. And tests prove it's the most dependable. *But you be the judge!*

Call your Underwood Sundstrand representative or write to Underwood Corporation, Dept. D-3, One Park Ave., New York 16, N. Y., for a five-day FREE trial. Use it in your own office on your own work with your own operator. There's no cost or obligation.

UNDERWOOD CORPORATION

One Park Avenue, New York 16, N.Y.

OVER 100
MISSOURI
COMMUNITIES SAY:

*"Let us 'tailor-make'
a plant and
more opportunity
for you!"*



Yes, you can write your own ticket in Missouri . . . your choice of industrial buildings listed in the latest "Missouri Quarterly Available Buildings Report"; your choice of twenty cities, large and small, which are ready and able to *tailor-make* your plant to your plans in "Organized Industrial Districts"; your choice of over 100 other communities willing to organize, acquire sites and build for you!

And Missouri doesn't send you . . . Missouri goes with you to the plants and the people in your own private exploration tour!

This personal, confidential service is the "extra ingredient" in Missouri's "Tailor-Made Industry Plan" which, exclusive of big national industry expansions, helped locate and build new plants totaling \$136,000,000 in the "show me state" last year. And Missouri is rich in power, oil pipelines, gas, coal, industrial water, chemicals, minerals, forests, agriculture and recreation for good living and top production. Its unrivaled road, rail and water network make Missouri the crossroads of America.

But the biggest bonus Missouri offers is its different "Tailor-Made Industry Plan", which prepares the right community for the plant . . . then builds the plant to your plans! It will pay you to let Missouri show you first. For complete, confidential exploration,



**PHONE COLLECT—
Jefferson City 6-7185**

or write Dept. J-583

Lisle Jeffrey, Industrial Engineer
Missouri Division of
Resources & Development
Jefferson City, Missouri

What can be done about water shortages?

IGY scientists make no promises, but they think the great mass of information they'll put together on the world-wide distribution of moisture in the atmosphere, the mechanics of weather, and the water cycle of ocean to atmosphere to land and back to ocean again will provide important clues for coping with and perhaps avoiding water shortages. The study of the oceans also may lead to important discoveries for developing the tremendous food and mineral resources known to rest in the sea.



What is the true shape of the earth?

No one knows exactly right now, but IGY experts hope to find out. They'll check the earth's gravitational pull in many remote areas never before checked, and will establish an international standard for correlating these and studies already made.



How can we combat air pollution over our big cities?

Many scientists, including Dr. Joseph Kaplan, U.C.L.A. physicist who heads the U. S. Committee for IGY, believes that important help in abating air pollution will come from IGY's planned study of the ionosphere. Dr. Kaplan explains that although there is no direct cause-effect relationship between the ionosphere and industrial air pollution, certain chemical processes occur both in the rarefied air of the ionosphere and in the polluted air that hovers over some of our large cities. Since the ionospheric air is free from the many contaminating elements that make up polluted air, the scientists feel that IGY high-altitude research will give them a much clearer picture of these chemical changes than they can get working in the lower atmosphere.

Much of the IGY information on the atmosphere will come from instruments actually sent up into the atmosphere. Thousands of helium-filled balloons will carry equipment sending back data by radio. Large rockets will provide a tool for still



AIR

**CONDITIONING
INSTALLED IN BUILDING**

Designed by
FRANK LLOYD WRIGHT

The unique Price Tower, in Bartlesville, Oklahoma, is the new home of the H. C. Price Co., Pipeline Constructors. Rising nineteen stories (190 feet), this revolutionary structure is already famous in architectural circles. The floors which include both offices and apartments, are supported in cantilever fashion from four vertical columns.

All nineteen stories are air conditioned with refrigeration furnished by four "ECLIPSE" compressors.

Frick industrial and commercial refrigeration and air conditioning—famous for over 70 years—are the choice of discriminating architects, engineers and contractors.

Address all inquiries to your nearest Frick Branch or Distributor, or direct to



DEPENDABLE REFRIGERATION SINCE 1882
Frick Co.
WAYNESBORO, PENNA. U.S.A.



**ACCOPRESS
BINDERS
for Economy!**

Find the record you want when you want it—ACCO-bind all your business papers. With ACCOPRESS Binders of fine press-board you'll get the efficiency and convenience of loose leaf binding for letters, orders, contracts, invoices, reports, etc. combined with low cost, long life economy in filing. Large capacity (expand up to 6"). Stack flat. Choice of colors and sizes for every need. Ask your stationer. Remember . . . ACCO-bound papers are SAFE papers.

ACCOBIND folders

ACCOPRESS binders

PIN-PRONG binders

(for marginal multiple punched forms)

ACCO punches

and other filing supplies

ACCO PRODUCTS, Inc.

Ogdensburg, New York

In Canada: ACCO Canadian Co., Ltd., Toronto

further direct exploration of the upper air. Aerobees, for example, can penetrate about 200 miles into the atmosphere and will carry instruments for many observations impossible to make from the ground.

A recent development much less expensive than the aerobees or similar earth-launched rockets is the "rockoon"—a rocket carried to a considerable height by a balloon and then launched there. The American program includes the firing of about 100 rockoons and about 300 "rockairs"—rockets launched from planes.

Then, of course, there are the satellites. Even if it is impossible to load the first one with instruments, scientists say they will get valuable information simply by observing it as it travels to its lofty orbit. But the satellite will probably be instrumented in some fashion so that it can send back data during the two weeks it travels its orbit before it slips back into the atmosphere and harmlessly burns into nothing.

Will IGY provide information that will help strengthen U. S. defense preparations? The answer is obviously yes, but it's hard to get cautious officials to be specific. Much of the information developed on weather, radio communications and practically every other subject to be studied will have some military bearing. But IGY and government officials don't say just how much.

To be sure, IGY observations will be made available to all countries. But, as U. S. scientific leaders point out, the most ingenious nations will make the best use of them.

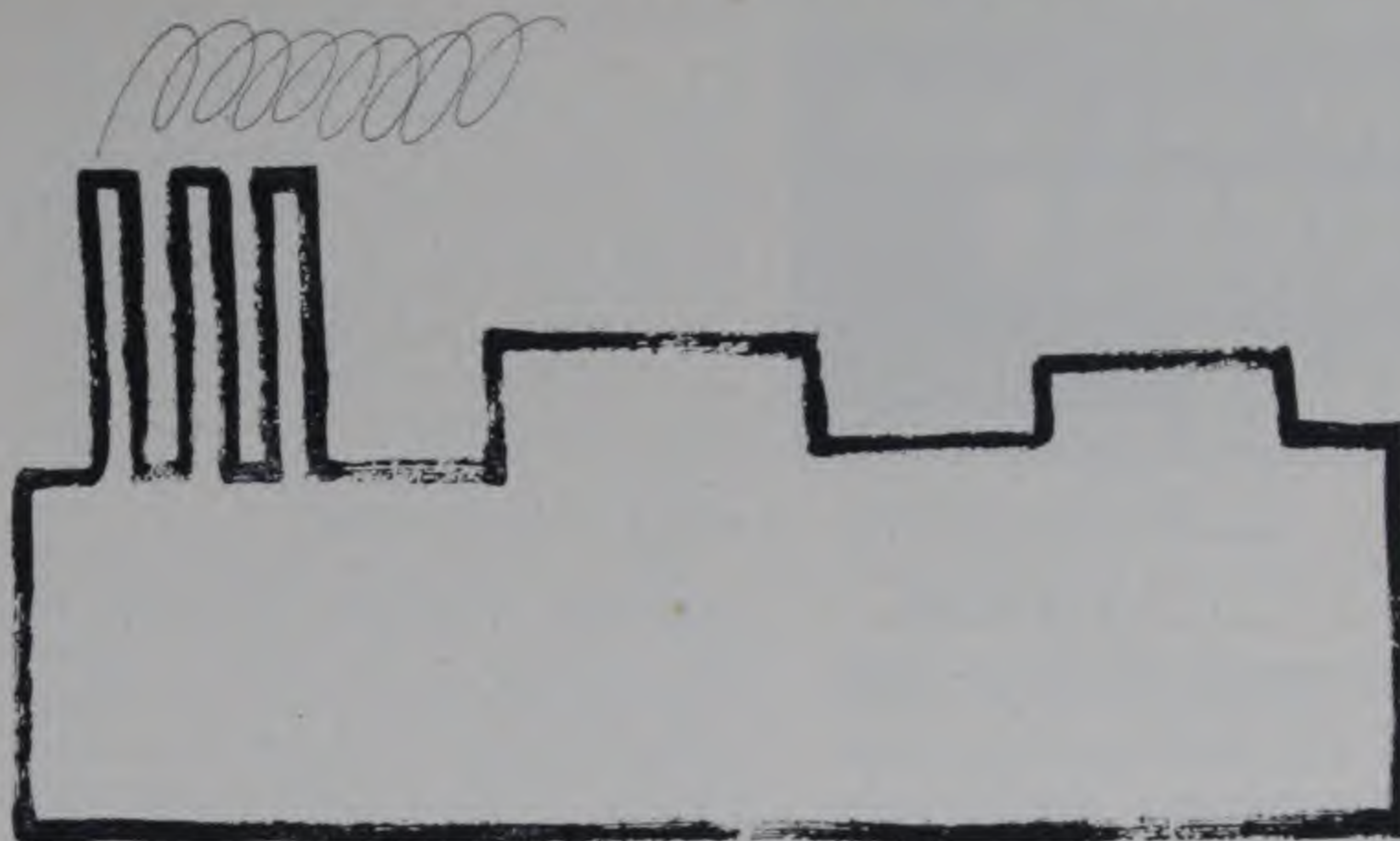
In addition to the many possible services of IGY already mentioned, Dr. Kaplan sees another less tangible but nonetheless important result. IGY, he says, is exciting the interest of young people in science, at a time when the shortage of scientists and pre-science students is serious.

The IGY program and the increasing publicity it will probably get as it goes into operation will, Dr. Kaplan believes, make young people more aware of the intensive training needed for scientific careers, and will at the same time interest them in the possibilities such careers offer.

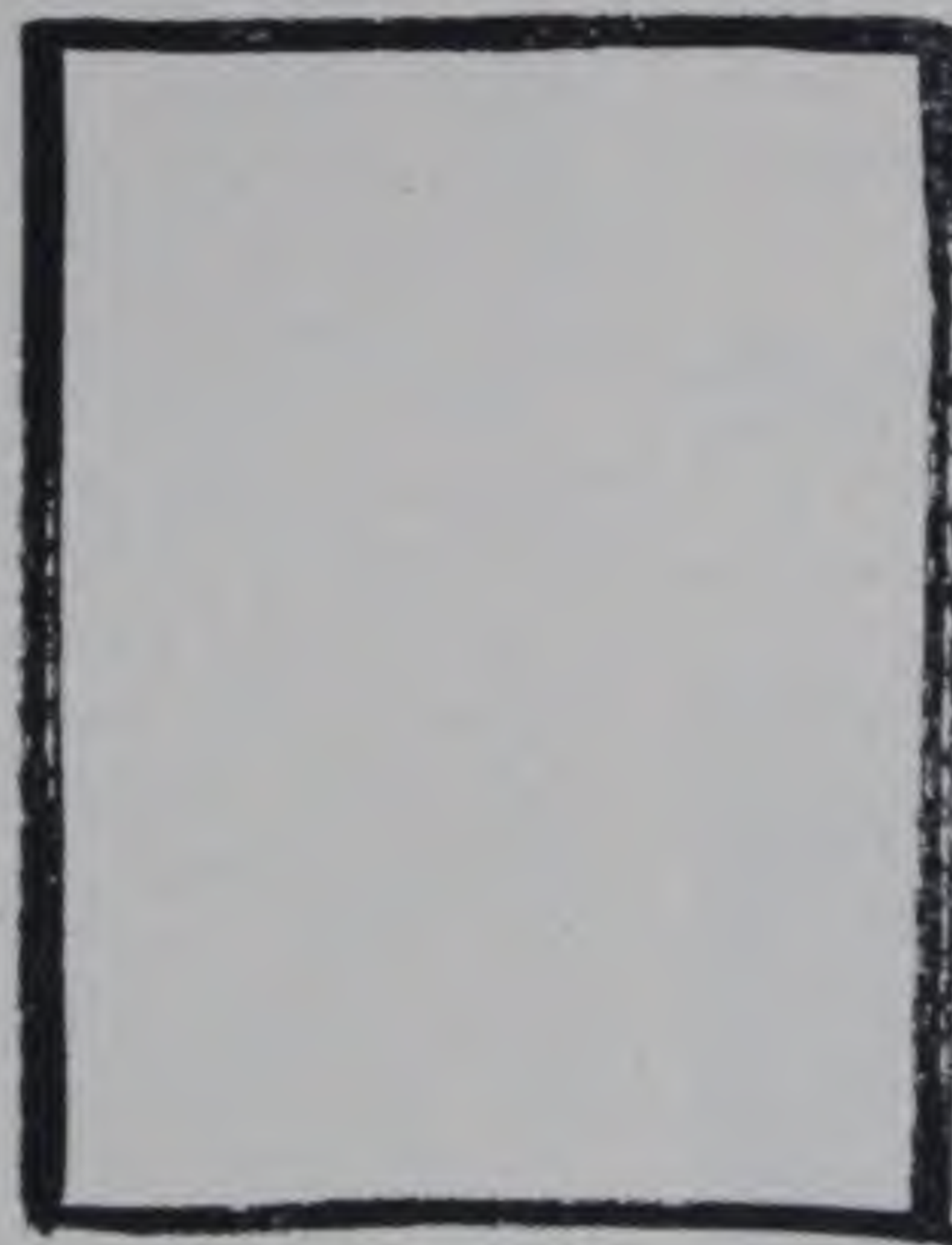
Another intangible but important result was stated by Dr. Berkner in a recent scientific article.

"Most encouraging of all," he wrote, "has been the genuine enthusiasm with which the scientists of the earth and the nations that support them, have embraced the program. Tired of war and dissension, men of all nations have turned to Mother Earth for a common effort on which all find it easy to agree."—CHARLES B. SEIB & ALAN L. OTTEN

neenah says,



if your company is better



than your stationery indicates

...then it's time you used
a fine rag bond by neenah



Would you like business stationery that is preferred by your customers? Then ask your printer for a free copy of the "Neenah Guide to Preferred Letterheads." It is based on a four-year survey that determined what businessmen preferred in letterheads.



NEENAH PAPER COMPANY • Neenah, Wisconsin

WALLS

FLOORS

MASONRY

MACHINERY

Paint on a Tough RUBBER COAT *for extra protection!*

Now—no more curing delay on new work! Tough new Tropical moisture- and acid-resistant RUBBER-BASE paints, for WALLS: seal "hot spots," stop moisture travel, let you prime, seal, finish-paint same day; for FLOORS: paint new-laid concrete, with dry, gloss finish in 4 hours; for MASONRY: protect from moisture penetration, no streaking, burning, self-cleaning; for MACHINERY: high-gloss enamel for extra protection where moisture, fumes, cleaners, acids attack metals.

FREE! Complete information sent at once—write today!

TROPICAL PAINT CO.
1134-1210 W. 70th
CLEVELAND 2, O.

Established 1883 • Subsidiary of Parker Rust Proof Co.



Bring
the Sun
Indoors!

PANELBLOC INDUSTRIAL - COMMERCIAL Gas-Fired Infra-Red Unit Heater

Remember how comfortable it feels to stand in the sun on a cold day? PANELBLOC gives you the same feeling.

- Comfortably heats workers and machines within radiation area.
- Heat not wasted on air which would normally rise to ceiling.
- No fan, motor or electrical connection needed.
- Never shut down due to power failure.
- Heat delivery cannot be deflected by drafts from open doors or windows.
- No moving parts . . . less maintenance.
- May be used with any commercial type gas fuel.

Why not write today for details. Ask for Bulletin P-154.

THERMOBLOC

Division of

PRAT-DANIEL CORP.

1-10, Meadow St. • South Norwalk, Conn.

Please send me Bulletin P-154.

Name _____ Title _____

Company _____

Address _____

JOBLESS PAY

continued from page 27

states has dropped steadily from 2.7 per cent (plus 0.3 per cent to the federal government for administrative costs) to 1.1 per cent, although there was a slight rise for a brief period 1948 to 1951. The average for the past ten years has been 1.4 per cent. Secretary Mitchell points out that the cost to employers has been substantially less than the sponsors of the unemployment insurance law estimated.

The rate varies by states and for individual employers according to the condition of the state's reserve fund and the employer's experience rating. Except in Alaska, those employers who have fewer layoffs, and thus cause less demand on the fund, pay a lower rate. In a dozen states the employer with a good employment record may pay no tax at all, assuming the reserve fund is in good shape. Alaska had to drop experience rating this year because of its fund's anemia. Alaska employers are paying the state's maximum, 2.7 per cent. A few states have maximum rates above 2.7 per cent.

Some of the 365,000 small businesses coming under unemployment insurance in January will benefit by a tax change passed by 23 state legislatures this year. New employers and those newly covered by unemployment insurance usually have to wait three years before qualifying for tax rates below 2.7 per cent under the experience-rating formula. The 23 states amended their laws to allow reduced rates in less than three years. This will shorten the initial period during which some businesses pay a 2.7 per cent tax while others pay a reduced rate because they have met the three-year requirement.

Reserve funds

Reserve funds for payment of benefits held by the U. S. Treasury in accounts for the states contained \$8,011,360,000, including interest drawn, on June 30. This was \$430,720,000 less than the level of a year before.

The funds—built up during the low-unemployment war years when they drew enough interest to cover benefit payments—have run into trouble in recent years. Payments of \$1,759,873,000 in fiscal 1955 and \$1,588,846,000 the previous year exceeded tax collections and interest. Collections this past year were the lowest since 1950, while the average tax rate was the lowest ever.

The reserves on June 30 were 8.3 per cent and the benefits paid during



Awardex
Keeps 'em All
Smiling



BUSINESS GIFTS

One source for all your gifts

Here's a new way to keep 'em all smiling . . . gifts and awards for employees, dealers, key personnel and associates. With an Awardex Gift Guide, you'll find under one cover, available from one source, gifts and awards for every occasion including the top brands of watches, cameras, sporting goods, typewriters, electrical appliances, radios and tape recorders.

Quality brand merchandise for use as gifts, whatever the occasion, incentive, retirement, promotion or Christmas serve as a long remembered token of your good will.

Use our Gift Guide, shop comfortably at your desk; order direct from your office; feel economy minded satisfaction by purchasing everything wholesale. Just submit your mailing list along with your selections and let Awardex follow through on your gift campaign.



Your request, sent now on your firm stationery will bring our great new Free Gift Guide for Industry with confidential price sheet.

AWARDEX, Inc.
2562 Decatur Ave.
New York 58, N. Y.



New Easy-To-Use Profit Calculator

- Figures selling price of EACH UNIT based on the cost for any QUANTITY . . . and any margin.
- Adds sales and luxury taxes.
- Calculates COST based on any LIST and DISCOUNT.
- Has universal price range from chewing gum to yachts. *All these figures with a twist of the dial.* Saves countless hours of calculating for any business. \$1 each or 6 for \$5.

Write for special quantity or imprint prices.

PERRYGRAF SLIDE-CHART CORPORATION

Suite 1010, 150 S. Barrington, Los Angeles 49, Calif.

NEW Makes any board an adjustable drawing table.

All-angle DRAWING STAND Pat. Pend.

for ENGINEERS, DRAFTSMEN, IDEA MEN, BUSINESS MEN, ARTISTS, etc.



- FLOOR MODEL** #714 . . . \$14.95 ea. Adjusts for sitting or standing. Also serves as an extra office table. Folds flat in 10 seconds.
- TABLE MODEL** #713 . . . \$7.95 ea. Use on any table or desk.
- Has screws for mounting to your board.
- Locks in desired position.
- Non Slip rubber-tipped legs.
- Easy to carry or store.
- Precision machined aluminum.

MONEY BACK GUARANTEE —Shipped postpaid check with order. No C.O.D.'s. **DEALER INQUIRIES INVITED**

ORDER from your dealer or: —

ARSCO AMERICAN INC., 3300 EDSON AVE., New York 69, N. Y.



GET MORE SHELF SPACE with CURMANCO LETTER RACKS!

Saves time . . . Invites action . . . Clears your desk. Handles, Sorts, Classifies. Distributes work. Electrically welded in one piece. Olive Green, Brown, Gray. Letter size, \$7.50. Legal size, \$9.50. F.O.B. factory. Two or more, prepaid.

CURRIER MFG. CO., St. Paul 8, Minn.

INDUSTRY'S IDEAL STATE

Rhode Island

WRITE RHODE ISLAND DEVELOPMENT COUNCIL
ROOM 529, STATE HOUSE, PROVIDENCE, R. I.

fiscal 1955 represented 1.8 per cent of taxable wages earned during the 1954 calendar year. The reserve ratio stands at the lowest since 1951 and the benefits-paid ratio at the highest since 1950.

In July Alaska became the first to borrow \$3,000,000 without interest from a new Federal Unemployment Account set up by Congress to assist states with low reserves.

The unemployment account will be built up to \$200,000,000 with the unused portion of the 0.3 per cent tax collected by the federal government to cover the cost of administering the unemployment insurance program from Washington and state capitals. The fund reached \$148,800,000 June 30 and will likely reach the \$200,000,000 limit next year. After that, leftover administrative funds will be distributed among the states to pay benefits. Previously the excess remained in the federal government's general funds.

A state unemployment insurance agency may borrow from the unemployment account when its reserves at the end of any quarter are lower than the total benefits paid to unemployed workers during the previous 12 months. The loan may not exceed the largest amount of benefits paid by the state in any quarter during the previous year. If the loan is not repaid in four years, the federal government will collect higher taxes from employers in that state until it is paid.

States with funds in best condition are Montana, 14.9 per cent of taxable wages; Idaho, 13.7; Connecticut and Washington, 11.7; Arizona, 11.6; Wisconsin, 11.4; Kentucky, 11.3; Iowa and New Jersey, 11.2 and New Mexico, 11.0.

Conformity

States are free to fix the amount and duration of benefit and the tax rate, but in most other respects they must conform to minimum federal standards if they are to receive funds for paying benefits. Otherwise, the federal government will collect a full three per cent tax from employers and return nothing to the states for administration or benefits.

A dispute has been running between California and Secretary Mitchell over whether seamen, who were waiting for work in a maritime hiring hall, were entitled to unemployment pay after their union struck West Coast shippers in 1948. The state's agency and Supreme Court say no; Mr. Mitchell says yes. A Labor Department hearing examiner last month upheld the state's position.

Secretary Mitchell, who has final decision, has submitted the exam-

iner's recommendation to an impartial board. He says he will ask Congress at the next session to provide such court review.

Disability insurance

All four states which provide benefits for temporary disability not connected with the job increased those benefits this year or last. New Jersey and Rhode Island increased maximum disability benefits \$5 a week, the same amount and to the same level as unemployment insurance was increased—\$35 in New Jersey and \$30 in Rhode Island. California increased maximum disability payments from \$35 to \$40 weekly, \$7 above unemployment insurance. New York increased its maximum disability benefit from \$30 to \$33, \$3 below unemployment insurance.

President Eisenhower has endorsed nonoccupational disability insurance, proposing it for the District of Columbia. Some 30 states are studying the possibilities.

A model disability insurance law for the District of Columbia was introduced in this Congress on the last day of the first session by Republican Senators Clifford P. Case of New Jersey and Irving M. Ives of New York. It resembles the New York disability insurance law in that cash disability insurance risk would be contracted-out with private insurance companies. Cash sickness benefits up to \$36 would be paid for up to 26 weeks. For the first six months, the tax would be two tenths of one per cent of wages up to \$3,000 a year, but not more than 12 cents a week per employee, with the employee paying half of it. After six months, the employer might require the employee to contribute one half of one per cent, but not more than 30 cents a week.

Retraining Unemployed

The Labor Department is studying chronic unemployment in certain areas and in certain industries—a problem that cannot be solved by lengthening the duration of unemployment insurance benefits.

Persistent unemployment should be approached through a combination of some extension of benefits coupled with "an entire new special (continued on page 108)

REPRINTS AVAILABLE

Reprints of this article in black and white may be obtained for five cents each or \$5 per 100 including postage. Order from the Business Manager, Nation's Business, 1615 H Street N. W., Washington 6, D. C.



Turn-Towels

"TAKE"

the washroom test

Recently, a large Philadelphia baking company* made a one-week, one-floor test of Mosinee Turn-Towels against two competing brands. Here are the results:

Cost of Towel No. 1\$12.30

Cost of Towel No. 2\$ 8.03

Cost of Turn-Towel\$ 5.70

In terms of both cost and quality, results were so conclusive in favor of Turn-Towels that this company installed them throughout the plant.

*Name on request

BAY WEST PAPER CO.

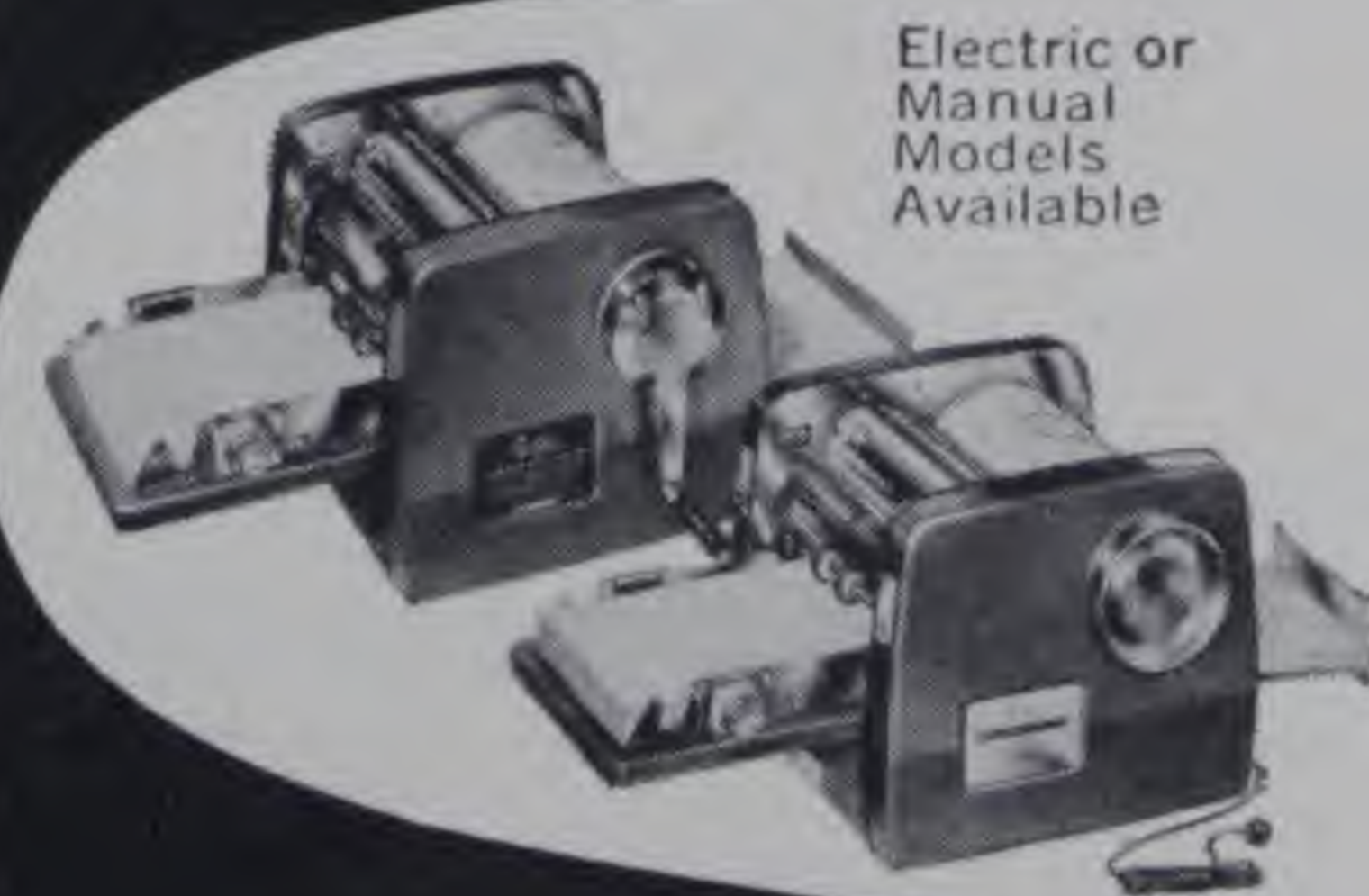
1102 West Mason Street

GREEN BAY, WISCONSIN

A Division of Mosinee Paper Mills Co.

Heyer SPIRIT DUPLICATORS

CAN DO SO MUCH FOR YOU!



Electric or Manual Models Available

Heyer Conquerors print hundreds of sharp, clean copies of anything typed, written or drawn . . . in so little time, with so little effort, at such low cost. Sales Letters, Bulletins, Forms, etc., in up to 5 colors at once simply flow from these duplicators. They "Always Make a Good Impression."



FREE BOOKLET TELLS HOW AND WHY Mail Coupon Today!

THE Heyer CORPORATION

1820 S. Kostner Ave., Chicago 23, Ill.

Please send free booklet on the Conquerors and complete details.

Name _____

Company _____

Address _____

City _____ State _____

■ **now ready**

PEOPLE, PRODUCTS

AND PROGRESS

▶ **1975**

ONE OF THE FEATURES at the opening session of the National Chamber's Annual Meeting this year was an illustrated address on America's fabulous future—and on the part free enterprise plays in keeping our economy dynamic. It was called:

PEOPLE, PRODUCTS AND PROGRESS | 1975 It sounded, in a way, like science fiction—atomic-powered automobiles, pre-colored lumber, doors of air, man-carrying rockets . . .

But it was not fiction. It was based on fact—on plans now on the drawing boards—on predictions made by trade associations and business firms.*

PEOPLE, PRODUCTS AND PROGRESS | 1975, as presented at the Annual Meeting, was a "smash hit."

Those who saw it were exceedingly enthusiastic about it.

"Put that story in film form," they urged. "Make a movie of it—we'd like to show it in our town. It is the best argument yet for free enterprise. We'd like our people to see it."

Well, with that encouragement, the film has been made, and is now ready for distribution.

We think you'll like it. It is in full color—16MM—runs 28 minutes—and has been cleared for television.

The narration is by Arch N. Booth, Executive Vice President of the National Chamber.

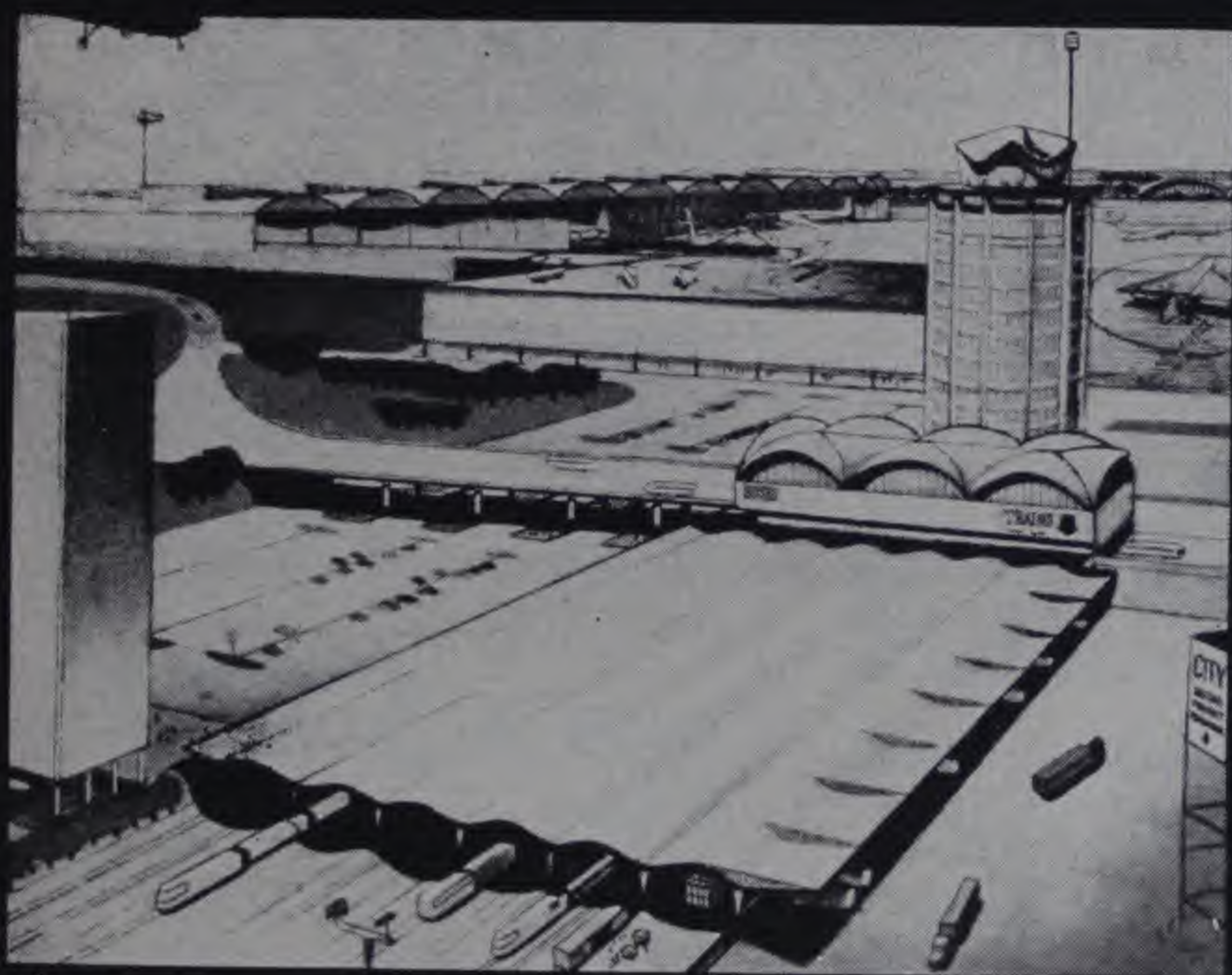
PEOPLE, PRODUCTS AND PROGRESS | 1975 is interesting, entertaining, eye-opening. It is suitable for showing to any group, young or old. You can buy a print of this film for \$125. Or you can rent a print for seven days for \$15. And whether you rent or buy, your money will be refunded if you are not more than pleased.

*National Plant Food Institute ■ National Association of Food Chains ■ Conveyor Equipment Manufacturers Association ■ National Association of Home Builders ■ National Education Association ■ Portland Cement Association ■ Radio Corporation of America ■ Electric Companies Public Information Program ■ Aircraft Industries Association ■ National Lumber Manufacturers Association ■ Truck-Trailer Manufacturers Association ■ Association of American Railroads ■ American Trucking Associations ■ American Hotel Association ■ American Iron and Steel Institute ■ American Gas Association ■ Chrysler Corporation

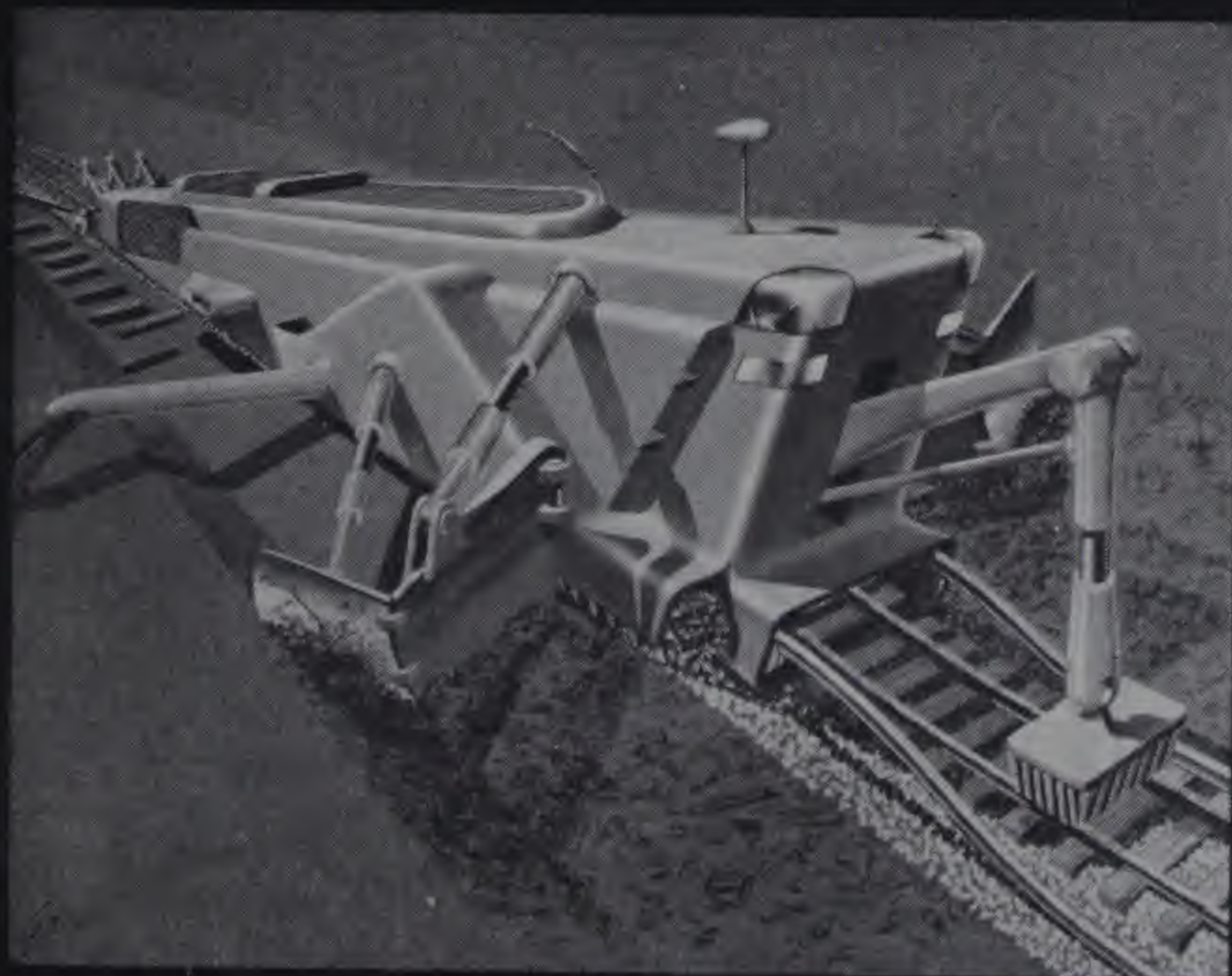
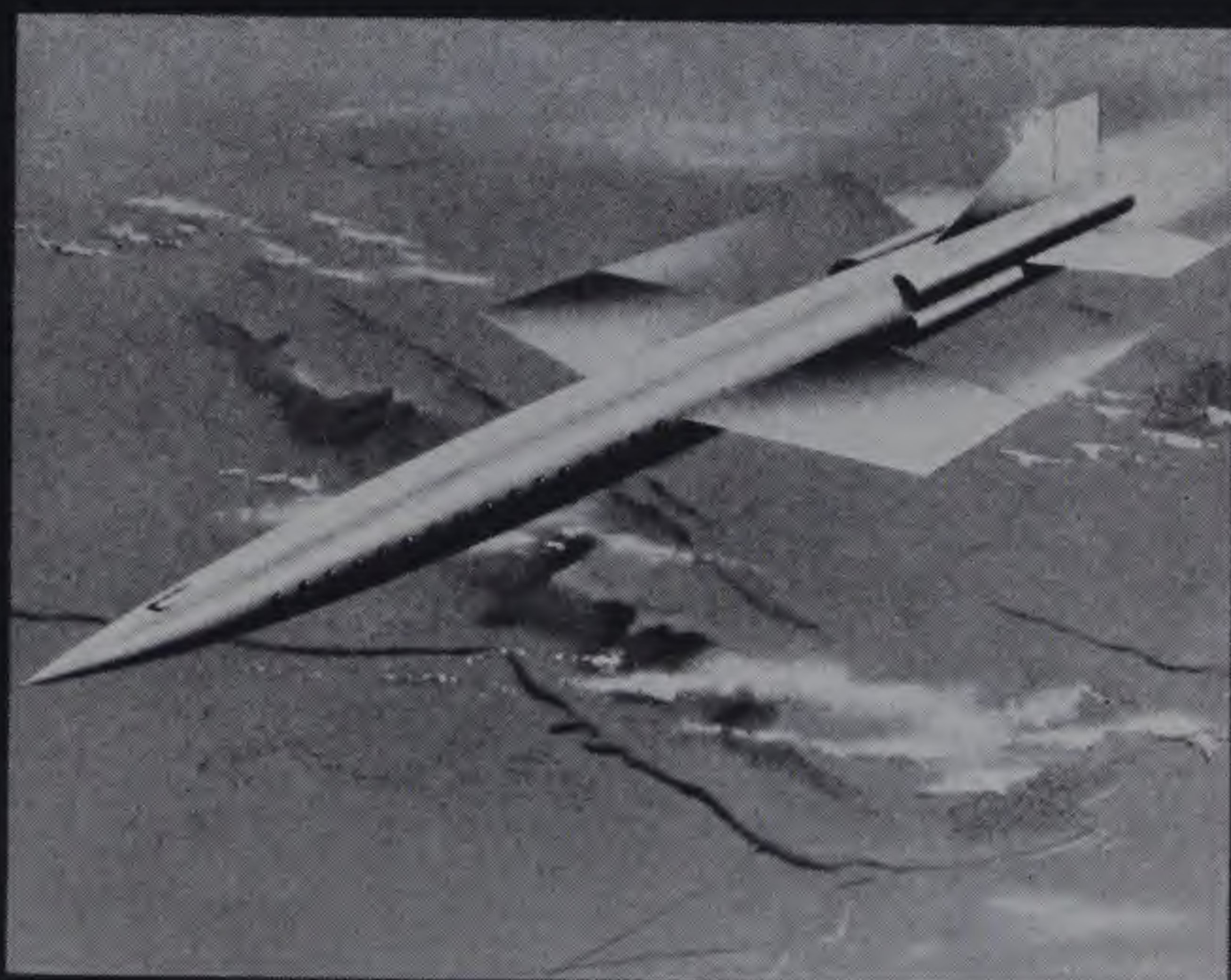
a new sound, color film

produced by request

thin shell concrete roofs



washington to paris in 3 hours



workin' on the railroad

ORDER FORM

CHAMBER OF COMMERCE
OF THE UNITED STATES

WASHINGTON 6, D. C.

Purchase

Please send print(s)
of PEOPLE, PRODUCTS
AND PROGRESS: 1975 at
\$125 each. (This charge in-
cludes reel, can, shipping case
and shipping cost.)

Rent

Please send print(s)
at rental charge of \$15 each
for seven days or less. Wanted

from to
(Date) (Date)

☐

Send bill

☐

Payment enclosed

Name _____

Address _____

City, Zone and State _____

CHAMBER OF COMMERCE OF THE UNITED STATES
Washington 6, D. C. *A National Federation Working for Good Citizenship,*
Good Government and Good Business

Another Santa Clara County Trade Mark



... located at the
PROFIT CENTER
of the West!

Underwriters' Laboratory chose this area for its excellent source of highly skilled technical personnel located right at the market center of the West. Perhaps this is *your* answer, too.

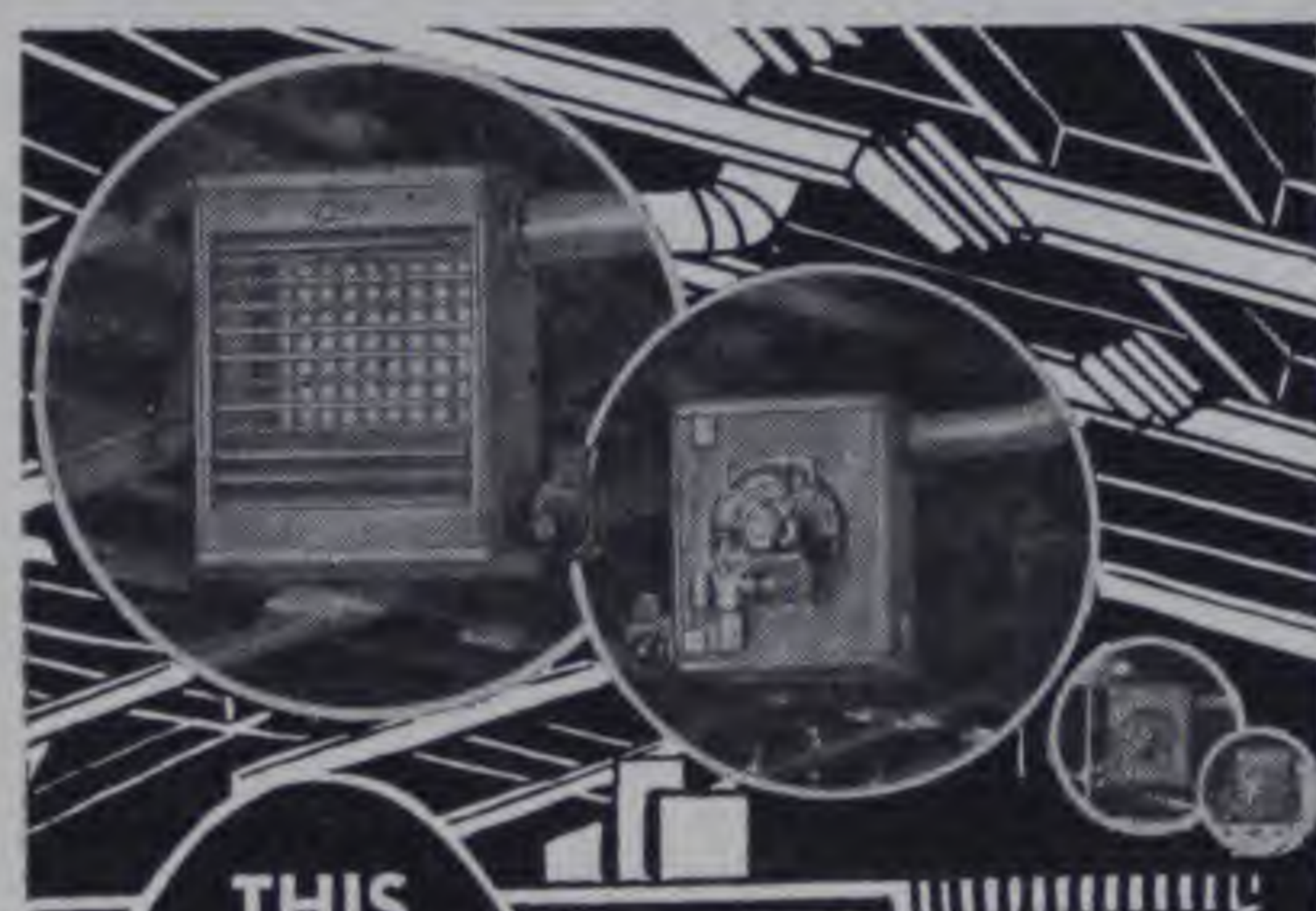
ACCEPT THIS SERVICE...

Write for an individually prepared copy of "Your PROFIT PLAN for the Western Market."

San Jose Chamber of Commerce
Dept. B-1, San Jose 14, Calif.



Decentralized, YES! Isolated, NO!



THIS AUCTION MARKET HAD SKY-HIGH FUEL BILLS ... until Delta OIL UNIT HEATERS cut them down!

PROBLEM:

This large, drafty farmer's market used abnormal quantities of fuel but never warmed up sufficiently.

SOLUTION:

8 Delta oil-fired unit heaters were installed. They use low cost #2 fuel oil and provide immediate heat. Adjustable louvres direct heat where needed... without cold spots or heat wasted on walls.

RESULTS:

The market now is comfortably heated in an hour. Fuel bills have been cut almost 50%.

DELTA HEATING CORPORATION
TRENTON 8, NEW JERSEY



program" aimed at removing the particular individual's cause of unemployment, according to Under Secretary of Labor Arthur Larson.

He suggests the possibility of retraining the individual in a trade or skill for which there is demand; travel allowances to make it possible for him to undertake training and take up the employment opportunities made available to him, and perhaps scholarships for younger workers.

Private supplementation

Payment of private supplemental unemployment benefits under the recent Ford, General Motors, Chrysler, American Can, Continental Can and other labor contracts covering almost 1,000,000 employees hinges on government approval of various aspects.

Most companies are putting five cents an hour per employee into a trust fund from which:

Under the 26-week Ford-type plan, beginning next June 1 a laid-off employee with one year's service will, after a week's waiting period, receive from the fund an amount (not more than \$25) which, when added to his state benefits, will give him 65 per cent of his usual take home pay for four weeks and 60 per cent for up to 22 weeks, depending for the most part on how long he has been employed.

Under the 52-week can companies' plan, beginning next Oct. 1 a laid-off employee with three years of service will, after a week's waiting period, receive an amount which, when added to his state benefit, will give him 65 per cent of take home pay for one week for every two weeks worked since September, 1954, up to a maximum of 52 weeks.

These payments will not be made, however, until:

►The company contributions to the fund are approved by the Internal Revenue Service as a currently deductible expense for federal income tax purposes.

►In the case of the Ford-type plan, rulings are obtained from states in which two thirds of the employees work that payment of the private supplement will not disqualify the employee from receiving unemployment insurance at the same time. Lacking state approval, an employee under the can companies' plan will receive the accumulated supplemental payments after he exhausts his claim to state benefits or returns to work.

The big hurdle seems to be conflict with state unemployment insurance regulations. A survey by the Chamber of Commerce of the United

States shows that in virtually all states changes in unemployment insurance rulings or laws would be necessary and that the issue would be raised in 22 states.

In Massachusetts, Connecticut and Michigan the attorney generals have advised the governors that, in their opinion, a private supplemental benefit will not disqualify an unemployed worker from receiving a state benefit. In New York the governor has said he will seek legislative approval integrating private with state unemployment benefits if it is necessary. In Ohio, the legislature refused to approve integration at the last minute while passing a bill to increase state benefits. The CIO is trying to get the voters to approve it in next month's elections.

Unemployment Benefit Advisors, Inc., various business groups and unions as well as business leaders have protested that integration of private and state unemployment benefits is not only illegal under state laws but undesirable because it may eventually lead to federalizing and wrecking of the federal-state system.

The AFL Pattern Makers League rejected a supplemental unemployment benefit plan from General Motors. Its members took in higher pay the five cents an hour the com-

GIVE A *Success* DESK CALENDAR



● Give your customers and prospects America's most popular style desk calendar. Your advertising message is neatly displayed on the edge of the pencil tray... where it adds—not detracts—to the value of your gift.

YOUR CHOICE OF TWO SIZES:

THE PRESIDENT No. 85, Pad Size 5" x 8"

THE JEFFERSON No. 64, Pad Size 4" x 6 7/8"

Write now for special quantity prices!

COLUMBIAN Art WORKS, INC.
2300 West Cornell Street, Milwaukee 9, Wis.

pany would have put into the SUB fund. The union in its newspaper said "unemployment benefits should be the concern of government. . . . Private industry does not have the competency or the organization to cover all workers."

Secretary Mitchell has not taken a position on the question of private supplementation of public unemployment benefits. The 27-member tripartite Federal Advisory Council on Employment Security has recommended that he tell the governors

that they should, by administrative interpretation, allow supplementation "where possible." A resolution to that effect was voted by public and labor members of the Council; employer members did not vote.

A committee of the Interstate Conference of Employment Security Agencies has concluded that it would be inadvisable to make any recommendation to state employment security officials as to the policy they should follow on the supplementation question.

END

HOW STATES ARE INCREASING UNEMPLOYMENT BENEFITS

(Where two figures are given, the higher includes dependents allowances)

	MAXIMUM WEEKLY BENEFIT		MAXIMUM WEEKS DURATION	
	New Level	1955 Increase	Weeks Duration	Including 1955 Increase of
Alabama	\$25	\$ 3	20	....
Alaska	45-70	10	26	....
Arizona	30	10 ¹	26	6
Arkansas	26	4	18	2
California	33	3	26	....
Connecticut	35-52	5-7	26	....
Delaware	35	10	26	....
Florida	26	6	16	....
Hawaii	35	10	20	....
Idaho	30	5	26	....
Illinois	28-40	1-13	26	....
Indiana	30	3	20	....
Iowa	30	4	24	4
Kansas	32	4	20	....
Maine	30	3	23	3
Michigan	30-54	12 ²	26	....
Minnesota	33	3	26	....
Montana	26	3	20	....
Nebraska	28	2	20	....
Nevada	30-50	2 ³	26	....
New Hampshire	32	2	26	....
New Jersey	35	5	26	....
New York	36	6	26	....
North Dakota	26-35	3 ²	20	....
Ohio	33-39	3-4	26	....
Oregon	35	10	26	....
Pennsylvania	35	5	30	4
Rhode Island	30	5	26	....
South Carolina	26	6	22	4
Tennessee	30	4	22	....
Texas	28	8	24	....
Utah	33 ⁴	5.50	26	....
Vermont	28	3	26	6
Washington	35	5	26	....
Wisconsin	36	3	26½	....

NOTE: Kentucky, Louisiana, Mississippi and Virginia did not hold regular legislative sessions this year. Other states not listed took no action. Last year the District of Columbia, California, Massachusetts, Michigan and Virginia increased benefits and the District of Columbia and Michigan increased the maximum duration to 26 weeks.

1/ Dependents allowances discontinued.

2/ Increase in dependents allowances.

3/ Increased allowance for first dependent.

4/ One half state average weekly wage after June 30, 1956.

Safeguard Your Business Secrets

Now you quickly and easily destroy confidential papers and obsolete records right in your own office.

NEW SHREDMASTER

Bantam 10

Portable shredding machine designed especially for office use, the size and weight of a business typewriter!



The only office paper shredding machine that destroys confidential papers quietly and cleanly. Greater capacity, speed and safety than ever before! Compact, modern design. Exclusive slanted gravity feed speeds shredding of paper in multiple thicknesses, tickets, cards, coupons and labels. Anyone can operate the Bantam 10. Safety throat assures protection. Priced well within the budget of all businesses, large or small.

Manufacturers' guarantee. Authorized dealers in most cities.

FREE:

Illustrated descriptive folder includes 10 day free trial details. Write "BANTAM 10" on your letterhead or postcard, and mail today to:

The SHREDMASTER Corp.

Manufacturers Of The Most Complete Line Of Office And Industrial Shredding Machines!

A Division of Self Winding Clock Co., Inc.
11 East 40th Street, New York 16, N. Y.



New Advertising Machine

Prints & Illustrates Gov't Post Cards

FREE Learn how thousands of business men, in every line, are boosting sales in spite of conditions—with ad messages—printed and illustrated in a few minutes on gov't post cards—with amazing new patented **CARDMASTER**. Your "today's" ideas, read by your prospects next morning. Not a toy, but a sturdy advertising machine, built to last for years. Low price, sold direct. Guaranteed for five years. Send name today.

SEND NAME We'll send **FREE** illustrated book of money-making **IDEAS** for your business and complete, unique advertising plans. **RUSH YOUR NAME TODAY.**
CARDMASTER COMPANY
1920 SUNNYSIDE, Dept. 9-L, CHICAGO 40, ILL.



...when he decides to buy

You can't be sure your customer will think of you when he's ready to buy. So, surround him at his desk *where he buys* with daily used reminders that you value his business. You'll build a wall of preference competition will find hard to break. Handsome, exclusive desk pieces from Shaw-Barton implement the *Desk Plan*. Ask your Shaw-Barton representative for the Desk Plan Portfolio . . . or write Dept. N-105 today for a copy.

SHAW-BARTON

Calendar and Specialty Advertising
GENERAL OFFICES AND PLANT, COSHOCTON, OHIO
SALES OFFICES IN PRINCIPAL CITIES

new TELEPHONE INTERCOM



WITH 2-WAY
LOUDSPEAKER

DIRECT-A-CALL

For small offices or direct "keyman" hook-ups in large firms . . . Every phone a master station — can call every other station with direct-signalling pushbuttons . . . Handsome, unbreakable grey plastic phones can be linked with 2-way Direct-A-Call loudspeakers in work areas.

Typical 5-station system \$179.50 complete

Connecticut

TELEPHONE & ELECTRIC CORP.

177 Britannia St. Meriden, Conn.

Send information about Direct-a-Call to:

Name _____

Firm _____

Address _____

Thorium's atomic role will broaden . . .

**Sectional competition booms
business flying . . . New peace
weapon: a golf club**

Big market seen for atomic metal



Thorium, a heavy radioactive metal which took a back seat to uranium when America set out to build its first atomic bomb, now shows signs of coming into its own as a nuclear power source.

Atomic Energy Commission officials admit that the agency is interested in thorium's potentialities and has made purchases of thorium salts, but they will say little more.

Nevertheless, at least one big electricity-producing company—Consolidated Edison of New York—already has a thorium-uranium atomic power plant beyond the drawing-board stage. And Babcock & Wilcox has contracted to build a new type thorium reactor designed by the Brookhaven National Laboratory.

Recent technological advances indicate that thorium may be more desirable than uranium for many purposes, according to some mineral experts. They note that thorium is safer to handle, for one thing, and, where uranium costs about \$20 a pound to produce, thorium can be had for about \$4 a pound. Known mineral deposits in which thorium occurs are not as plentiful as those bearing uranium, however. This explains in part why uranium got the jump on thorium during the work on the initial atomic bomb.

Here are some additional reasons why the handful of U. S. companies now producing thorium are talking confidently about the future of their gray metal:

►Use of thorium in magnesium alloys for jet aircraft engines is increasing as manufacturers deepen their respect for thorium's heat-resisting qualities. In 1954 alone this use accounted for 4,647 pounds of the nation's 20,190 pound nonenergy consumption of thorium.

►Battelle Memorial Institute has announced that it has devised a simplified process for recovering the

metal from such minerals as monazite and thorite.

►Lindsay Chemical Company of Chicago, the world's largest thorium producer, has just completed a \$2,500,000 plant for the processing of thorium concentrates.

The market for pure thorium and thorium compounds has been relatively stable and small throughout the years, with most of the domestic output going into the manufacture of gas mantles. Other uses: in polishing compounds, refractories, and in filaments for vacuum tubes.

A genuine boom in the thorium market could occur if the use of thorium in breeder reaction and in such applications as the manufacture of jet engines were to increase sharply in the future. Present indications are that such a development is not unlikely.

Outlook for executive flying



Use of private aircraft by businessmen, which already exceeds commercial air carrier operations in hours flown, is expected to rise to a total of 7,200,000 hours by 1965—almost double the 1953 volume.

The 5,700,000 hours predicted for 1960 will be an increase of 46 per cent over the 1954 figure.

These optimistic predictions for a category of aviation which already accounts for 45 per cent of all civil flying activity are made by the Civil Aeronautics Administration's Office of Planning, Research and Development. The report is a staff study forecasting civil air traffic for the decade ahead.

Reasons given for the growth in business transportation by air are:

1. Continued industrial dispersion.
2. Optimism of businessmen because of profit prospects.
3. Sectional competition.
4. Realization that air travel saves time for executives.

The CAA also credits convenience

and prestige as factors influencing the growth of aircraft operation by business firms and corporations.

Growth in the use of business aircraft began in 1946. Since then the number of hours flown for business reasons has increased almost four times. In 1953 business flying surpassed scheduled domestic air carrier operations by 1,000,000 hours.

In miles being flown, the increase is even more spectacular because corporations are taking to faster aircraft. The trend, says CAA, is expected to continue.

Output of utility executive airplanes should number about 5,000 in 1960 and will be valued at \$140,000,000. The 1965 production is expected to be 6,000 planes, valued at \$240,000,000.

Commercial flying, also expected to increase, will reach 2,500,000 hours by 1960 and 3,000,000 hours by 1965.

The trend in instructional flying, which has been downward since World War II, will turn gradually upward after 1956.

Pleasure flying is expected to reach 2,300,000 hours in 1960 and 2,600,000 hours five years later, up from 2,000,000 today.

Golf aids international friendship



John Jay Hopkins, head of General Dynamics Corporation, has set out to demonstrate that countries, as well as businessmen, can

get along on the golf course.

About 115 Canadian businessmen contribute \$200 a year as patrons and members of an advisory committee of the International Golf Association, which Mr. Hopkins founded in 1953. He is trying to stimulate comparable interest in international golf competition among businessmen of the United States and other countries.

The Golf Education Foundation, organized by Mr. Hopkins last autumn, spreads knowledge of the game and, in general, promotes its development in foreign countries.

Mr. Hopkins began promoting international golf competition in 1952, when the first annual matches between teams of Canadian and United States professionals were held. The next year, in celebration of Coronation Day, he arranged the first international championship in which players from eight countries competed in Montreal, the Argentines winning. Australians won last year. This year, representatives of 26 countries teed off in Washington, the United States winning for the first time.

"So who's got that kind of money?"

Truth is, Harry Brown, who owns my favorite service station in town, is an awfully hard man to convince. But nice guy that he is, I could hardly restrain myself when he told me . . . "I can't afford to join the chamber of commerce."

It sounded pretty silly when he said . . . "You're not kidding me! The chamber's for the big wheels in town. They're the only ones who get anything out of it. They're the only ones with enough dough to get into it."



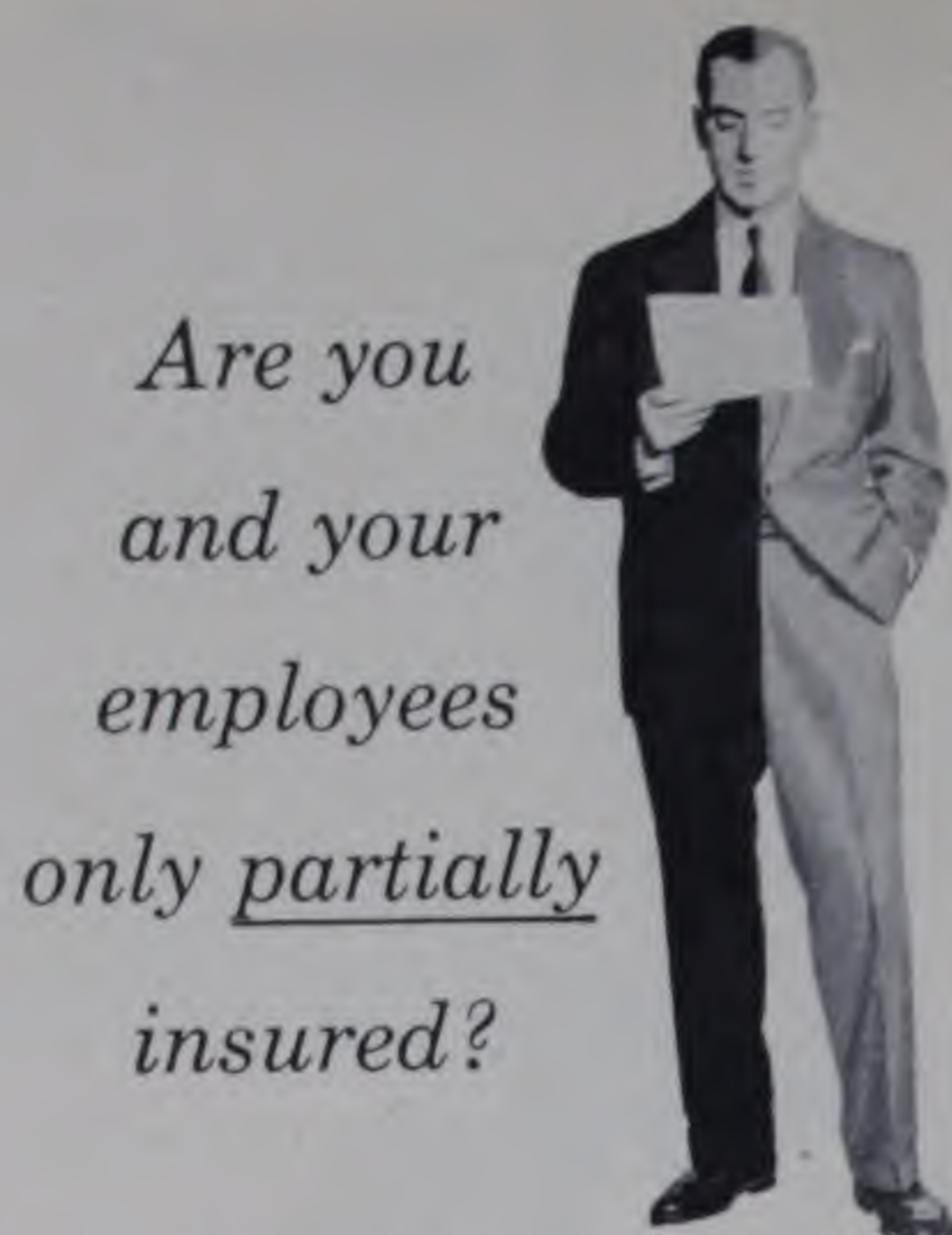
Oh no! How many times have I heard that one from small businessmen? "Look, Harry," I said patiently, "Everybody benefits from the work the chamber does. It's constantly bringing in new industry and new business. And that means more workers, more wages, more money in circulation — more customers and sales for you and every other businessman in town."

He was astonished when I told him . . . "Being invited to join isn't being asked to give away money. It's an investment with a guaranteed return. Afford to belong? You can't afford not to belong!"

Then I showed him how little membership dues cost him—when figured by the day, week or month—and I knew I'd converted another supporter. A chamber membership adds little to your overhead but a lot to your welfare. Today, Harry'll be the first to tell you just that — even before he says "Fill 'er up, Mister?"

Pete Progress

Speaking for
your chamber of commerce



Are you
and your
employees
only partially
insured?

Now you can get
all these benefits with

NEW YORK LIFE'S EMPLOYEE PROTECTION PLAN


- ★ Life Insurance!
- ★ Weekly Indemnity!
- ★ Hospital and Surgical Benefits!

Firms with as few as 10 Employees are eligible for this insurance plan, designed to offer comprehensive protection and to round out existing programs. For even if you already have some form of protection, your present plan may go only part way.

An Employee Protection Plan offers a flexible combination of benefits for yourself, your employees and dependents if desired. Cost is low and the plan is simple to install as well as to administer. Ask your New York Life agent for complete details now!

SEND FOR FREE BOOKLET containing case histories of how business leaders are benefiting from Employee Protection Plans. Write: New York Life Insurance Company, Dept. NB, 51 Madison Avenue, New York 10, N. Y.

NEW YORK LIFE
INSURANCE COMPANY

A Mutual Company  Founded in 1845

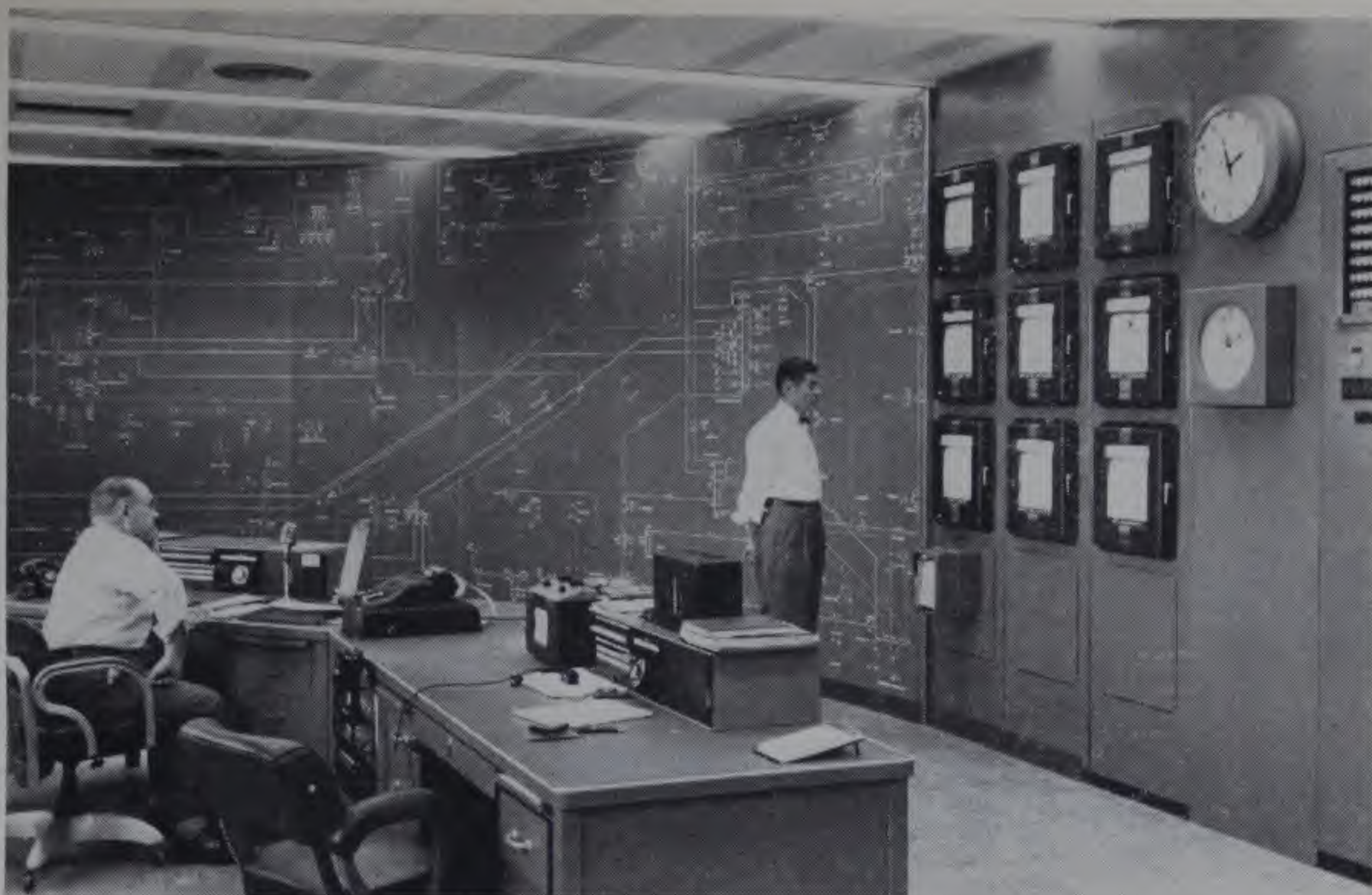
The New York Life Agent in
Your Community is a Good Man to Know

ADVERTISERS IN THIS ISSUE • October 1955

	PAGE		PAGE
Acco Products, Inc.	102	Inserting & Mailing Machine Co.,	77
La Porte & Austin, New York		Philip I. Ross, New York	
Aero Mayflower Transit Company	75	International Business Machines	
Caldicell, Larkin & Sidener-Van Riper,		Corp.	47
Indianapolis		Benton & Bowles, New York	
Aluminum Company of America 4th cover		Kentile, Inc.	45
Ketchum, MacLeod & Grove, Pittsburgh		Ruthrauff & Ryan, New York	
American Photocopy Equip. Co.	49,50	Lawrence Warehouse Co.	101
Irving J. Rosenbloom, Chicago		Abbott Kimball, San Francisco	
American Telephone & Telegraph		Libbey-Owens-Ford Glass Co.	4,5
Co. (Long Lines)	1	Fuller & Smith & Ross, Cleveland	
N. W. Ayer, Philadelphia		Lynch, Merrill, Pierce, Fenner &	
American Telephone & Telegraph		Beane, Inc.	14
Co. (Classified)	73	Albert Frank-Guenther Law, New York	
Cunningham & Walsh, New York		Marchant Calculators, Inc.	71
American Telephone & Telegraph		Doremus & Company, San Francisco	
Co. (Informative)	113	Mason & Dixon Lines	10
N. W. Ayer, Philadelphia		Lavidge & Davis, Knoxville	
Apsco Products, Inc.	97	May, George S., Co.	2
Julian R. Besel, Los Angeles		Allan Marin, Chicago	
Arsco-American, Inc.	104	Missouri Division of Resources &	
Michael W. Schoen, New York		Development	102
Association of American Railroads	24	R. J. Potts-Calkins & Holden,	
Benton & Bowles, New York		Kansas City	
Autopoint Co.	80	Mittag & Volger, Inc.	94
Gordon Best, Chicago		Campbell-Ewald, Detroit	
Awardex, Inc.	104	Modine Manufacturing Co.	90
Bergman Advertising, New York		Klau-Van Pietersom-Dunlap, Milwaukee	
Badger Meter Manufacturing Co.	58	Monroe Calculating Machine Co.	60,61
Klau-Van Pietersom-Dunlap, Milwaukee		Charles W. Hoyt, New York	
Baltimore & Ohio Railroad	46	Morris, Bert M., Co.	99
Richard A. Foley, Philadelphia		Hixson & Jorgensen, Los Angeles	
Bay West Paper Co.	105	Mutual Life Insurance Co. of	
Klau-Van Pietersom-Dunlap, Milwaukee		New York	19
Belmont Plaza Hotel	84	Benton & Bowles, New York	
Koehl, Landis & Landan, New York		Nation's Business	96,97
Borg-Warner Corp.	100	Royal & de Guzman, New York	
Rogers & Smith, Chicago		Neenah Paper Company	103
Bruning, Charles, Co.	81	Burnet-Kuhn, Chicago	
H. W. Kastor, Chicago		New York Life Insurance Co.	112
Burroughs Corp.	57,74	Compton Advertising, New York	
Campbell-Ewald, Detroit		Old American Insurance Co.	97
Butler Manufacturing Company	56	Selders-Jones-Covington, Kansas City	
Aubrey, Finlay, Marley & Hodgson,		Olivetti Corp. of America	53
Chicago		Geyer Advertising, New York	
Cardmaster Co.	109	Oxford Filing Supply Co.	98
Grant, Schwenck & Baker, Chicago		Joseph Reiss, New York	
Chamber of Commerce		Ozolid Division of General Aniline	
of the U. S.	106,107	& Film Corp.	69
Direct		L. E. McGivena, New York	
Chamber of Commerce of the U. S.	111	Perrygraf Slide-Chart Corp.	104
Royal & de Guzman, New York		Charles Bowes, Los Angeles	
Chesapeake & Ohio Railway Co.	67	Phoenix Insurance Company	48
Robert Conahay, New York		Fairbairn & Company, West Hartford	
Chevrolet Motor Co.	54,55	Photostat Corp.	76
Campbell-Ewald, Detroit		Knight and Gilbert, Providence	
Colorado, State of	90	Pitney-Bowes, Inc.	93
Ball & Davidson, Denver		L. E. McGivena, New York	
Columbian Art Works, Inc.	108	Porter, H. K., Company, Inc.	85
Cramer-Krasselt, Milwaukee		St. Georges & Keyes, New York	
Commercial Credit Co.	12	Prat-Daniel Corp.	104
VanSant, Dugdale, Baltimore		Hening & Company, Philadelphia	
Connecticut Telephone &		Pullman Co.	92
Electric Corp.	110	MacFarland, Aveyard, Chicago	
Haydon Company, New Haven		Remington Rand	15,91
Copease Corp.	99	LeeFord Advertising, New York	
Anderson & Cairns, New York		Reznor Manufacturing Co.	97
Coxhead, Ralph C., Corp.	88	Kight Advertising, Columbus	
United Advertising, Newark		Rhode Island Development Council	104
Cramer Posture Chair Company	89	Bo Bernstein, Providence	
D. L. Goldsberry, Kansas City		Ronson Corp.	23
Currier Manufacturing Co.	104	William H. Weintraub, New York	
Frizzell Advertising, Minneapolis		San Jose Chamber of Commerce	108
Delta Heating Corp.	108	Long Advertising, San Jose	
Chelsea Advertising, New York		Shaw-Barton, Inc.	110
Eastman Kodak Co. (Verifax)	6	Mumm, Mullay & Nichols, Columbus	
J. Walter Thompson, New York		Shredmaster Corporation	109
Ebco Manufacturing Co.		Gayton, Inc., New York	
(Kelvinator)	95	Travelers Insurance Co.	2nd cover
Geyer Advertising, Dayton		Young & Rubicam, New York	
Eureka Specialty Printing Co.	82	Tropical Paint Company	104
George N. Kahn, New York		Fred M. Randall, Detroit	
Executone, Inc.	11	Underwood Corp.	101
Joseph Katz, New York		Brooke, Smith, French &	
Frick Co.	102	Darrance, New York	
Waynesboro Advertising,		Union Pacific Railroad	79
Waynesboro		Caples Company, Chicago	
Friden Calculating Machine Co.	13	United States Fidelity &	
J. Walter Thompson, San Francisco		Guaranty Co.	83
Hardware Mutuals	16	VanSant, Dugdale, Baltimore	
Roche, Williams & Cleary, Chicago		Victor Adding Machine Co.	20
Heinn Co.	72	John W. Shaw, Chicago	
Paulson-Gerlach, Milwaukee		Wellington Sears Co.	78
Heyer Corp.	105	Ellington & Co., New York	
Frank C. Jacobi, Chicago		Western Union Tel. Co., Inc.	3rd cover
Home Insurance Company	59	Albert Frank-Guenther Law, New York	
Albert Frank-Guenther Law, New York		Weston, Byron, Co.	74
Indiana Desk Co.	98	Walter B. Snow, Boston	
Keller-Crescent, Evansville		Zippo Manufacturing Co.	51
		N. W. Ayer, Philadelphia	



Private Microwave System—Bell System microwave equipment helps a midwest power company operate smoothly, act quickly.



Telemetry Channels—Electric power moves around interconnected system under guidance of dispatchers. Bell System telemetry supervisory control and voice channels permit the operators in this load dispatcher's office to supervise and control the inter-exchange of kilowatts at remote locations 24 hours a day.

WE SHRINK DISTANCE

Bell System communications help draw together the far-flung units of the nation's power lines, pipe lines and railroads.

An increasing part of the Bell System's business is providing communications for the specialized needs of the nation's power lines, pipe lines and railroads. As these needs expand, so, too, does Bell System service.

The facilities of these industries stretch across great distances. Yet they must be able to contact any point immediately and make information available quickly from one end of the line to the other.

All require quick, reliable communications. Yet each has specialized problems. We tailor our communication services to fit their exact individual needs.

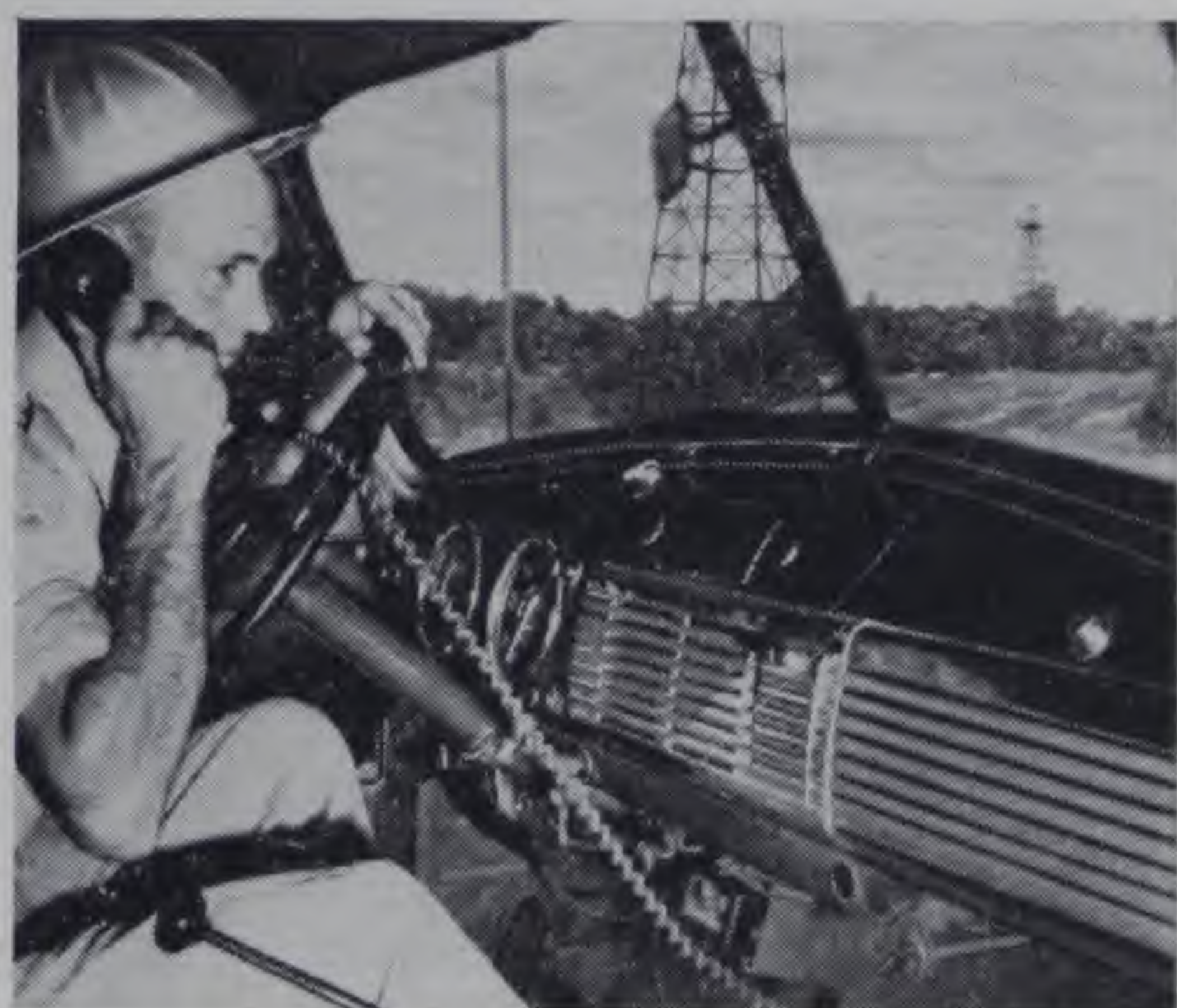
The Bell System can meet all their communications requirements. Among the things we provide are:

- Private Line Telephone Services
- Teletypewriter Service
- Mobile Radio Facilities

We also supply the channels for:

- Telemetry
- Supervisory Control
- Industrial TV
- Facsimile

And we are continually developing new and better services for all types of businesses. We want to help them meet the new communications problems that accompany their change and growth.



Mobile Telephones for Pipe Liners—It is important that field men in the pipeline industry be able to make reports immediately and on the spot. Bell System provides mobile facilities for their trucks and cars.



Teletypewriter Cuts Rail Schedules—An extensive Bell System teletypewriter system is enabling one eastern railroad to cut Chicago to New York freight schedules up to 24 hours. Advance information speeds up train departures.

Bell Telephone System



RESCUE MISSION BY BUSINESS



A MAN whose home has been destroyed or whose loved ones have been lost will find the American people ready with sympathy and help. Organized charities and generous individuals act promptly. When disaster strikes whole communities as in the New England floods, the President of the United States becomes the leader in rallying people and government in rescue efforts.

The man whose job has been washed away is a somewhat different case. The word "work" has far less appeal than the word "home." Yet, because a man's ability to make a home depends most often on his opportunity to work, the rehabilitation of jobs is vital in rehabilitating human beings.

This is a grubby, unromantic business. A damaged factory is forbidding, desolate, and inanimate. Eyes which soften at the sight of human misery cannot always see the broken lives beyond a broken machine.

But business eyes can see them and business, which contributes its share to the funds set up to mend the personal misfortunes of people, is also quick to minister to the impersonal needs of plants.

In Connecticut alone flood waters did an estimated \$70,000,000 damage to some 400 firms. Yet, within two weeks many of these firms were back in operation and most of the others expected to be working long

before the dates first believed possible. Those who watched the recovery agreed that only teamwork of industry, employees, customers, banks and suppliers could have brought this about.

To those who insist that business exists only for profit, what happened in New England will seem incredible. They will not understand banks which advertised: "If you owe us money, don't worry now about your payments—if you need money come in—and tell your bank how it can help." Some banks offered ten year loans at three per cent—the same terms the Small Business Administration offered, and with no delay.

Suppliers, many from distant areas, sent technicians and engineers to help factories get back into production; waived payment of debts until customers could get back on their feet; replaced ruined inventories without charge.

The Connecticut Light & Power Company rushed repair crews into the area, mounted them in taxicabs whose drivers knew the country and had service 95 per cent restored in less than a week.

Employees donned hip boots, grabbed shovels and started cleaning out plants, aided by bulldozers that a plant engineer and an ingenious purchasing agent managed to round up.

A disaster survey committee of the

Waterbury Chamber of Commerce met a seven day deadline in giving the community its first foundation for a comeback—a reliable estimate of damages. The Chamber of Commerce and individual businessmen from Hartford were quickly on the scene with offers of help.

Soon afterward, representatives of the Chamber of Commerce of the United States arrived to bring the coordinated skills and resources of its varied membership to the aid of those with particularly stubborn problems.

Everywhere men who knew what to do and how to do it—best of all how to do it quickly without red tape or regard to how it would look in the record—worked to get New England back in business. New England would have come back in any case because the tough New England spirit won't be broken by floods or anything else.

But without help the job would have been tougher and it would have taken longer.

Being in business will not return lost lives or lost savings or heal the ache of mourning hearts. Only time and prayer can do that.

But business can bring back the jobs, incomes and orderly lives on which hopes for the future are built. Neither charity nor government can do that—only business. And united business does it best of all.



Good for growing

Good for growing blossoms: *sunshine.*

Good for growing business: *telegrams.*

Everybody likes flowers-by-wire service. The out-of-town order is sent by telegram, *in writing*, to avoid all chance of error. That makes the customer happy. The florist does business by wire all over the country. That makes the florist happy. The telegram is fast and inexpensive. And that makes everybody happy.

We think there's an idea here for every business man. Because those same qualities of telegraph service that

are profitable for florists—speed, accuracy, efficiency, economy—are vital to the growth of any business.

Have you examined your communications habits lately? Compare costs, in time *and* money, and chances are you'll choose telegrams every time.

when it means business
it's wise to wire

WESTERN UNION

Send by Telegram

For a complete list of Telegram rates, see the Telegram Rate Book, available from Western Union.

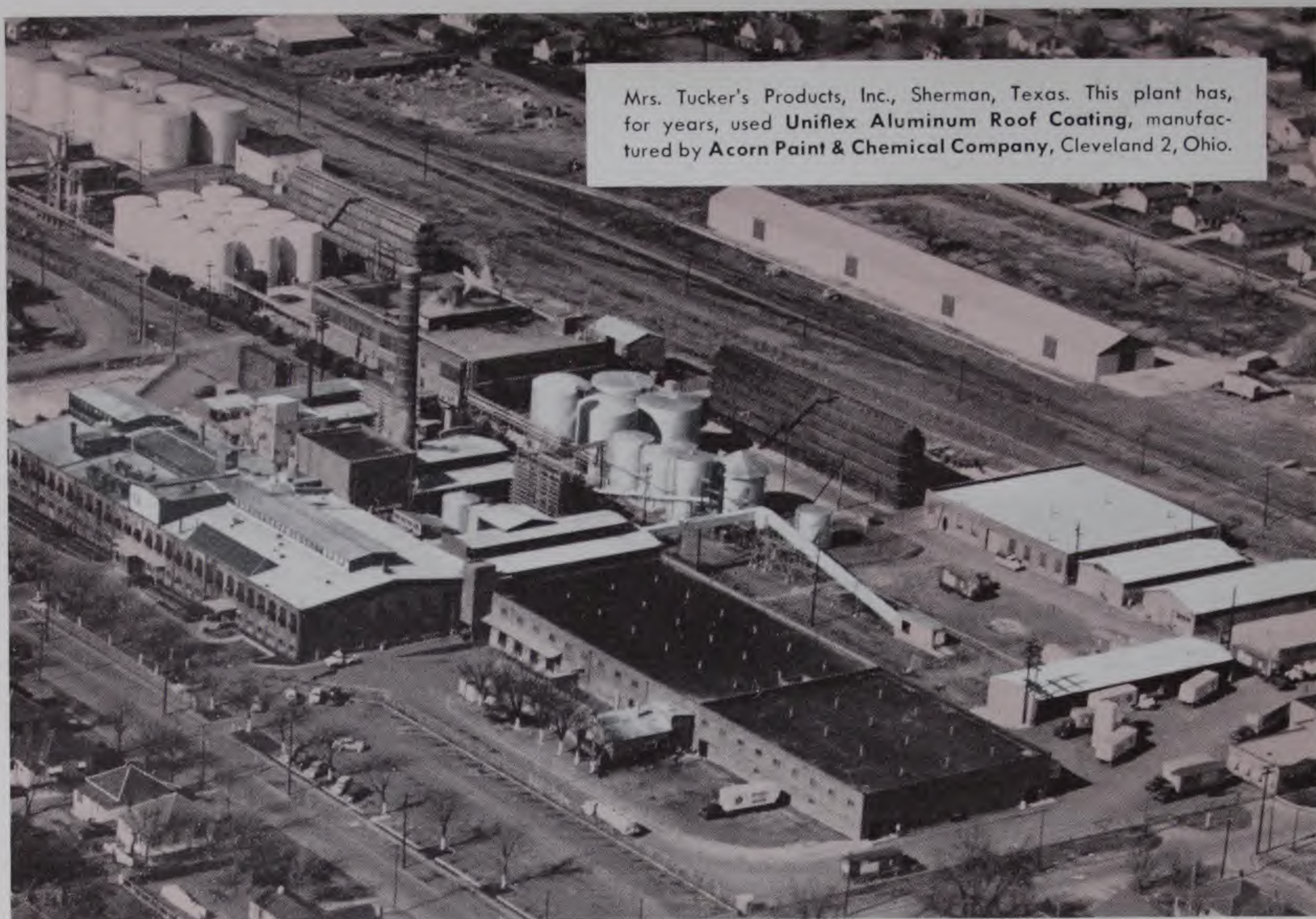
WESTERN UNION

TELEGRAM

Send by Telegram

For a complete list of Telegram rates, see the Telegram Rate Book, available from Western Union.

Wouldn't someone like to receive flowers by wire from you . . . today? Easy to send anywhere . . . consult your local florist.



Mrs. Tucker's Products, Inc., Sherman, Texas. This plant has, for years, used **Uniflex Aluminum Roof Coating**, manufactured by **Acorn Paint & Chemical Company**, Cleveland 2, Ohio.

Uniflex Aluminum Roof Coating stops leaks, cuts corrosion, reduces temperatures for Mrs. Tucker's Products, Inc.

Aluminum roof coating solved a double maintenance problem at this food processing plant. The main building's sheet metal roof had developed small leaks because of corrosion by fumes from nearby processing vents. No ordinary paint coating had been able to stand up until Uniflex Aluminum Roof Coating was applied. The owners report leaks were stopped, corrosion controlled. What's more, the coating of reflective aluminum reduced roof temperatures as much as 15° in summer weather, resulting in more efficient operation of the plant air conditioning. Aluminum roof coating is *now* used on *all* plant roofs, as well as on pipelines which had been

corroded by the cooling tower spray.

Aluminum roof coatings like this contain asbestos fiber in an asphalt base, and brightly polished ALCOA Aluminum flakes. Once applied, the coating remains firm on top, but soft and pliable beneath its reflective, protective shield of aluminum. This means extra years of life and good appearance.

ALCOA does not make roof coatings, but we will gladly refer you to

reputable manufacturers who do. Write today for our FREE booklet, *Aluminum Asphalt Roof Coatings Make Time Stand Still*. Use the coupon.



.....

- Paint Service Bureau
- Aluminum Company of America
- 1715-K Alcoa Building, Pittsburgh 19, Pa.
- Please send me your FREE booklet, *Aluminum Asphalt Roof Coatings Make Time Stand Still*.
- I am interested in protecting _____
- Name _____
- Company _____
- Address _____
- City _____ Zone _____ State _____

.....